Estate Planning Primer

Planning for Clarity and Care at Every Stage of Life

Starrett
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Life is full of twists. And milestones. Estate planning empowers you to care for yourself and your family as you plan for both. This short guide will take you through the essentials and prepare you for your next step. Get ready to transform your what-ifs into what's next through thoughtful estate planning.

What is an estate plan?

An estate plan is a set of documents that answers two key questions:

Who will make decisions for me if I can't make them myself?

What happens after I pass?

Estate planning protects you and your loved ones by anticipating the need for decision-making authority in cases of incapacity and estate transitions at death. Putting your wishes in writing avoids leaving important matters to state laws and courts to decide.

An effective estate plan includes the following core documents:

Health Care Power of Attorney
Names a health care agent who will make medical choices on your behalf and identifies the powers and limitations of their decision-making authority

Living Will
Expresses your wishes pertaining to end-of-life care and life-sustaining measures

HIPAA Waiver
Authorizes the release of your medical information

General Power of Attorney
Names a general agent who will make financial and other personal choices on your behalf and identifies the powers and limitations of their decision-making authority

Will
Identifies a guardian who will raise your minor children, an executor who will settle your estate, and the recipients of probate property upon your death

For Those Who Wish To Avoid Probate

Revocable Probate Avoidance Trust
Directs how assets should be managed during your lifetime as well as distributed at death, without the extra time, expense, and public disclosure of probate

What is probate?

Probate is the process of settling a person's estate at the courthouse after they pass away. Probate involves deadlines, court filings, fees, and oversight by a probate judge. While probate can serve an important purpose, it also adds extra time, expense, and stress to an already difficult situation. For these reasons, probate avoidance is an oft-stated goal of estate planning, and it may be one of yours.

How can a revocable probate avoidance trust help to avoid probate?

After a revocable probate avoidance trust is created, you will then transfer assets into it. This critical step is known as funding your trust. Since the trust owns your assets rather than you personally, these assets bypass the probate process when you pass away. Your successor trustee can then distribute assets directly to beneficiaries according to your trust instructions, and thus, save time, reduce costs, and maintain privacy over the details of your estate.

Two Fundamental Frameworks

With a Will-Based Estate Plan

Lifetime details are covered. Wishes around estate transitions are covered through your will, leaving your loved ones to face a heavier probate burden. This option requires less effort and investment to establish upfront but leaves more effort and fees for your family later.

With a Trust-Based Estate Plan

Lifetime details are covered. Wishes around estate transitions are covered through your probate avoidance trust, minimizing the impact of probate on your loved ones. This option requires more effort and investment to establish upfront but leaves less effort and fees for your family later.

When should you prepare an estate plan?

Estate planning isn't just for the wealthy or the elderly. Every adult should have, at the very least, a plan that covers decision-making authority in case of incapacity or death and identifies estate beneficiaries. Of course, the provisions and timing of the plan that is right for you will depend on your stage in life and what you wish to protect. That said, the need to consider estate planning commonly accompanies the following milestones and interests.

- Heading to College or Living Independently
- Getting Married or Separating
- Expecting a Baby or Raising Minor Children
- Establishing New NC Residency
- Starting a Business
- Planning for Travel
- Declining Health
- Avoiding Probate
- Inheriting Property
- Getting a Pet
- Empty Nesting
- Retiring

Taking the Next Step

With the essentials of estate planning in mind, begin to identify the goals and protections you want to accomplish with your plan. Think through the following questions to develop a sense of direction:

- [ ] What are some of your overall objectives?
- [ ] Who should inherit your estate and in what proportions?
- [ ] What guidelines do you want to establish for property left to minor children or other beneficiaries?
- [ ] What life lessons or stories do you want to pass along to your loved ones?
- [ ] Who should make your medical choices or manage your financial affairs if you are incapacitated?
- [ ] Who should manage your estate?
- [ ] Who should care for your minor children in a temporary emergency or after you are gone?
- [ ] Do you want artificial life-sustaining measures to be administered in end-of-life situations?

Let’s Discuss!

When ready, contact our team to start your planning journey. We are Starrett Law Firm, Ballantyne’s oldest estate planning law practice. Since 2009, we have empowered clients to care for themselves and their families through thoughtful estate planning that transforms what-ifs into what’s next.

Begin here

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Love Plans Ahead℠