

12 simple steps

To an Estate Plan

Step 1: Make a will.

A will states who you want to inherit your property, which charities you wish to benefit, and names a guardian to care for your young children should something happen to you and the other parent. You will also wish to name a person to manage any money or property your minor children inherit (can be the same guardian or someone else). If you have lots of assets and/or a complicated family structure, contact an estate planning attorney. Simple wills can be created through a number of online services.

Step 2: Consider a trust.

If you hold your property in a living trust, your survivors won't have to go through probate court, a time-consuming and expensive process. A trust is privately administered by the trustee you have chosen. If you own property in more than one state, all property can be titled in the name of a single trust, avoiding probate in each state.

Step 3: Make health care directives

Writing out your wishes for health care can protect you if you become unable to make medical decisions for yourself. Consider creating both a health care directive (description of your preferences to guide care givers) and Power of Attorney for Health Care, which gives someone you choose the power to make decisions if you cannot. (Free forms available from the Missouri Bar Association.)

Step 4: Make a financial Power of Attorney

With a durable Power of Attorney for finances you can give a trusted person authority to handle your finances and property if you become incapacitated and unable to handle your own affairs.

Step 5: File beneficiary forms

Naming a beneficiary for bank accounts, brokerage accounts, insurance policies, and retirement plans makes those assets automatically "payable on death" to your beneficiary(ies) and allows the assets to skip the probate process. Likewise, beneficiaries can be named on car titles and real estate deeds.

Step 6: Consider life insurance

If you have young children or own a house, or if you may owe significant debts when you die, life insurance may be a good idea.

Step 7: Understand estate taxes

Most estates—more than 99.8% - will not owe federal estate taxes. For deaths in 2020, the federal government will impose estate tax at your death only if your individual taxable estate is worth more than \$11.58 million. (With proper planning, married couples can double that.) Missouri has no estate or inheritance tax. These rules are subject to legislative change, however, so it remains important to pay attention to what happens in the legislature.

Step 8: Protect your business

If you are the sole owner of a business, you should have a succession plan. If you own a business with others, you should have a buyout agreement.

Step 9: Maintain the “keys” to your virtual life

User IDs and passwords are a fact of our electronic lives. Keep an updated record in a secure location.

Step 10: Cover funeral expenses

An easy solution is to set up a payable-on-death account at your bank and deposit funds into it to pay for your funeral and related expenses.

Step 11: Make final arrangements

There are lots of details that are meaningful personal expressions of your life and your love for family and friends. Make your wishes known on a range of matters including who you wish to receive that family heirloom, what sort of music is played at your memorial service, who should be notified, and charitable priorities. Express your wishes regarding burial or cremation. Write these thoughts in a personal statement.

Step 12: Store and distribute your documents

The holder of your Power of Attorney, your executor (named in your will), and/or your trustee (named in your trust), will need access to one or more of the following documents. Others such as your attorney, your doctor, and a key family member or friend may need copies, as well. Keep originals in a secure location:

- Will, trust(s), POA, health care directives
- Insurance policies; annuities
- Real estate deeds; car titles; safe deposit box keys
- Paper certificates (if any) for stocks and bonds
- Information on bank and brokerage accounts; retirement plans; 401(k) accounts; IRAs
- Information on debts: credit cards, mortgages and loans, utilities & services, taxes
- Your statement of final arrangements; list of IDs and passwords