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Using Your Legal Plan

The Essential Components of an Estate Plan Explained

Plan for the Future

6-minute read



Review the basic components of a good estate plan and their benefits.

Will

What does a will do:

- Directs who ("beneficiaries") receives property and assets after your death
- Names who ("executor") you want to carry out those directions
- Names who ("guardian") will care for minor children or other dependents

Benefits of a will:

- Is fairly straightforward to create
- Can be changed during your lifetime
- Makes it easier for your loved ones after you are gone
- Gives you control over your legacy, including the people and things you care about

Trust

What does a trust do:

- Directs who ("beneficiaries") receives specific property and assets after your death
- Names who ("trustee") you want to control the property and assets
- Holds property and assets for beneficiaries

Benefits of a trust:

- Avoids probate, the often lengthy process of proving a will's validity
- Is private
- Can control when you want people to inherit money or property
- Some can be changed during your lifetime (revocable trusts)

Durable power of attorney

What does a durable power of attorney do:

- Names who ("agent") can act for you on financial matters if you're incapacitated
- Specifies how much authority named agent has and when it expires

Benefits of a durable power of attorney:

- Is flexible in terms of how much power you grant the agent and for how long
- Ensures that someone you trust is making financial decisions for you when you can't

Health care power of attorney

What does a healthcare power of attorney do:

- Names who ("agent") makes health care decisions for you if you're incapacitated
- Specifies how much authority named agent has and when it expires
- Gives named agent authority, in some states, to make post-death decisions about things such as consent to an autopsy, anatomical donations or disposition of bodily remains

Benefits of a healthcare power of attorney:

- Is flexible in terms of how much power you grant the named agent and for how long
- Ensures that someone you trust is making medical decisions for you when you can't

Living will

What does a living will do:

- Details your wishes about provision, withholding or withdrawal of life-sustaining medical treatments if you are in a terminal condition or permanently unconscious

Benefits of a living will:

- Gives you control over medical decisions, even if you are unconscious or incapacitated

Appointment of HIPAA representative

What does an appointment of HIPAA representative do:

- Gives someone the authority to review and discuss your health information with your health care providers

Benefits of an appointment of HIPAA representative:

- Allows doctors and medical professionals to discuss your medical history and other important details about your health with a loved one

Beneficiary designation forms

What does a beneficiary designation do:

- Names who ("beneficiary") will receive specific assets, such as life insurance policies, retirement plans and bank accounts
- Specifies primary and secondary beneficiaries and what percentage of the asset each person receives

Benefits of a beneficiary designation:

- Covers assets that are not covered by your will
- Gives you control over the portion of each asset each person receives



After looking over the basic components of an estate plan, you might be a little overwhelmed at all the different elements that make up a plan. [Find out whether you need an attorney](#) to create your plan or whether a DIY path might work for you.

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