



A Brief Look at Estate Planning Basics

If you have a growing family and are just starting on the path to your financial future, you may not think estate planning is a priority at this stage of your life. But, estate planning is an important part of protecting your family now and in the future, so the sooner you start, the better. Let's take a quick look at some estate planning steps:

1. Draft a Will.

The distribution of your assets according to your wishes is provided by a will, which is a formal legal document directing the settlement of your estate. Without a will, the laws of the state you reside in will determine your estate distribution. Only through a will can you designate your own **executor**, **guardians** for minor children, and other **fiduciaries**. Because states have different standards and often require specific language for a will to be deemed valid, be sure to consult your qualified legal advisor.

2. Title Assets Properly.

One of the simplest and least expensive estate planning options for married couples is to title assets as “**joint tenants with rights of survivorship**.” At the death of one joint owner, such titled property automatically passes to the survivor without the need for **probate**. Depending on circumstances and individual state laws, there are other forms of titling that may be appropriate.

3. Review Your Life Insurance.

Life insurance has long been recognized as an affordable method for ensuring that a surviving spouse will have funds to meet financial obligations in the event of death. Regular reviews with an insurance professional can help ensure that you have adequate protection and your plan is up-to-date.

4. Plan for the Unexpected.

First, assess your **disability income insurance** coverage. Disability income insurance can help replace a portion of your income should you sustain a disability. Second, consider a **durable power of attorney** for financial matters, and a **living will** and **health care proxy** for medical matters. These **advance directives** enable a designated individual (usually your spouse, a relative, or close friend) to make important decisions on your behalf should you be mentally or physically unable to do so as a result of an accident or illness.

5. Keep Your Family Informed.

Many families maintain a “need to know” policy between parents and children, especially while children are growing up. However, at some point, all family members can benefit from knowledge about financial, medical, and estate arrangements that can affect the entire family.

Regardless of your stage in life, estate planning can help you prepare for the future. Be sure to consult with your professional advisors for information applicable to your unique circumstances.

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