



Secure Your Legacy: The 9 Essential Estate Planning Documents You Need

Estate planning is an important activity that everyone should take very seriously. While many people still believe the myth that estate planning is only for the wealthy, it actually provides benefits to people of all classes. Those with a modest estate may not need the same type of planning as someone with significantly more, but regardless of the situation, having the right legal documents in place is critical. The following are some of the most important estate planning documents that you may need to help protect yourself and ensure your assets are handled properly today and after you are gone.

Last Will and Testament

The Last Will and Testament, or just a Will for short, is the most basic form of estate planning, and something that everyone should have in place. A Will allows you to specify what you want to happen after you pass away. This can be a fairly broad list of desires that identifies what you want to happen to your property, financial assets, children, and even where you want to be buried. This type of document is very affordable and easy to put in place, so there is really no excuse for not having one once you are an adult living on your own.

Codicil to Will

It is a good idea to update your Will anytime a major event happens in your life. For example, if you have another child, get married or divorced, want to remove someone from the Will, or you attain some significant assets, you'll want to update the Will itself. If, however, you only need to make a small amendment to an existing Will, you can do that with a codicil. This is a faster and easier process and will allow you to "tweak" your Will as often as needed.

Trusts

Trusts are one of the most important documents when it comes to estate planning. Trusts are a way to arrange your property or other assets so that it is "owned" by the trust rather than directly in your name. This offers a variety of protections for your assets

and your loved ones. While the term “trust” is commonly used in estate planning, there are actually quite a few different types of trusts. Knowing which trust you need to use in your specific situation is important as they all have different legal purposes. The following are some of the most commonly used types of trusts to be aware of:

- **Revocable Trust** – A revocable trust, which is often known as a living trust, is a trust that is meant to be in place for quite some time while you are still living. It can be modified or even revoked entirely at any time. This means you can make updates as your circumstances change while still being confident that when you pass away, your estate will enjoy the many benefits of a trust.
- **Irrevocable Trust** – An irrevocable trust can’t be altered or revoked after it is created. Even the person who created the trust and put assets into it can’t make changes, so keep this in mind when creating this type of trust. There are benefits to an irrevocable trust including tax advantages and predictability. An irrevocable trust is most commonly used by those with larger estates.
- **Asset Protection Trust** – An asset protection trust is made specifically to help protect assets from future claims of creditors. This is another option that is most commonly used by those with large estates who may be worried about the risk of creditors coming after their assets either while still living or after they have passed away.
- **Charitable Trust** – As the name implies, a charitable trust is set up specifically to donate a portion of your estate to a charity of your choosing after you pass away. Giving through a charitable trust allows you to direct how you want it to be used so you can ensure it is used properly.
- **Special Needs Trust** – If you have a special needs child (either a minor or an adult) who you want to take care of even after you are gone, a special needs trust is the perfect option. This will allow you to ensure your assets are available to provide for your child without having to give them direct access to the money.

It can be difficult to know exactly what type of trust is right in what situation, which is why it is always important to work with an experienced estate planning attorney. For many people, it will be best to have multiple different types of trusts in place to ensure all your wishes are honored.

Power of Attorney

A Power of Attorney is a document where you grant another party (called an agent) the right to make certain decisions on your behalf when you aren’t able to make them for yourself. There are two main types of Powers of Attorney, which are:

- **Medical Power of Attorney** – A medical Power of Attorney will allow another party to make all your medical decisions if you are unable. If you have an accident and

are unconscious, they would decide what (if any) treatment you would receive. They are obligated to act in your best interest, but will have quite a bit of leeway. Choosing someone who you trust to make the same types of decisions that you would is very important.

- **Legal Power of Attorney** – The person who is granted Legal Power of Attorney will be the one who makes all legal and financial decisions on your behalf if you are unable. This would include managing your investments, deciding where you should live, buying things on your behalf, and much more.

You can name the same person or group to be both the medical and legal Power of Attorney. You can also choose either an individual or an organization to give Power of Attorney.

Get the Help You Need

Estate planning can get quite complicated, and it is very important that everything is handled properly. When done correctly, however, estate planning can help you protect your estate, minimize the taxes that need to be paid, and keep your estate out of probate court when the time comes. [Contact us](#) to go over your current situation and see what you need to get started.