



| 220 Valley Rd Merion Station, Pa 19066
| 610.247.3520
| J2contracts@j2enterprises.net

Planning your estate

Estate planning is the process of determining the maintenance, management, and distribution of your assets when you pass away or become incapacitated.

By creating your estate plans early, you can:

- Prepare in advance for emergencies
- Leave heirlooms and gifts to family members
- Ensure your loved ones receive your savings
- Make your medical wishes known
- Ensure your [children receive proper care](#)

What's in an estate plan?

An estate plan should contain any relevant information to the management of your assets and debts, health care, and wishes for after you pass away.

Essential documents to include in your estate plan are:

- [Trust and Pour Over Will](#)
- [Power of Attorney](#)
- [Health Care Directive](#) (Composed of a Living Will and Medical Power of Attorney)

You may also want to include [Gift Deed Form](#), [Just-In-Case Instructions](#), and [Child Medical Consent](#) forms in your estate plan. The more information there is for those representing you, when you can't represent yourself, the easier it is for them to quickly and accurately adhere to your wishes.

Step 1: Set your estate planning goals

Before beginning your estate planning, take a step back and look at the big picture of what you expect it to achieve.

Estate planning is more than just creating a Last Will and Testament.

Having a clear understanding of **what you want your estate plan to accomplish** helps create focused goals that align with your personal wishes.

Some common estate planning goals include:

- Ensuring financial support for your family
- Choosing the beneficiaries of your estate



| 220 Valley Rd Merion Station, Pa 19066
| 610.247.3520
| J2contracts@j2enterprises.net

- Naming guardians for any dependents and having a financial plan for their support
- Dictating the future management of a business
- Leaving your assets to a charity
- Requesting specific funeral arrangements, senior care, or health care preferences
- Specifying your preferences in the case of a medical emergency or incapacitation

Understanding and maintaining your goals throughout your preparations helps you achieve the outcome you want.

Step 2: Document your assets and debt

Prior to deciding how you'll distribute your assets, you'll need to know what you're working with. Document all your assets and debt in order to determine how much of [your estate you can leave to your loved ones](#).

Calculate the value of your assets

After creating a list, **subtract your total debt from the full value of your assets**. The remainder is what you have left to distribute amongst your loved ones, also called beneficiaries, in your Will.

Remember that this number can change based on your payments, assets you sell, or debts you accumulate.

By knowing where you stand financially, you'll have an accurate view of your residual estate.

Step 3: Create your Trust and Last Will

A Trust and [Last Will and Testament](#) allows you to control and communicate how to distribute your estate after you pass away. It's **the document in your estate plan with the most authority**, and a probate court (the segment of the court system that handles wills and estates) uses your Last Will as a guide when settling your estate. A trust avoids probate court.

Why is a Trust and Last Will important?

A Trust and Last Will ensures control of your estate stays in your hands and that your wishes are met after you pass away. You can **use a Trust and Last Will to specify which of your assets go to family, friends, groups, and charities**.

It also ensures that your minor children are cared for by a guardian of your choosing rather than a relative picked by the state.



| 220 Valley Rd Merion Station, Pa 19066
| 610.247.3520
| J2contracts@j2enterprises.net

If you don't have a Last Will and, therefore, haven't appointed an executor, the state will appoint an administrator of your estate. Under these circumstances, the administrator will distribute your assets by following a predetermined formula without considering your family circumstances.

If you do not have a Last Will and have no living relatives at the time of your death, your property will go to the state.

What's an executor, and why are they important?

Choosing the right executor for your Last Will is a challenging but essential decision because they bear a lot of responsibility on your behalf.

An executor is the person who ensures the requests or terms within your Last Will and Testament are carried out precisely as you wish. They'll often oversee your [End-Of-Life Plan](#) as well.

Your executor will:

- Distribute your property and assets to your beneficiaries
- Arrange for debt repayment
- Recover money other parties owe you
- File necessary forms
- File your final tax return
- Act on behalf of your business interests
- Arrange for the correct parties to receive any charitable donations or gifts
- Handle the arrangements made in your End-of-Life Plan regarding your memorial service, remains, etc.

[An executor should be someone you can trust](#), who can bear the weight of the responsibility, and who is willing to act as your representative. They're often a spouse, friend, or relative.

Step 4: Create your Power of Attorney

There's more to estate planning than preparing a Last Will for when you're gone. Creating a [Power of Attorney](#) helps you with important matters while you're alive or if you become ill or incapacitated.

A Power of Attorney is a document that gives one or more people (called an [attorney-in-fact](#)) the authority to **make financial and property decisions on your behalf** while acting in your best interests.

An attorney-in-fact can handle your banking, purchase or [sell real estate](#) for you, sign cheques from your account, and many other matters you specify.



| 220 Valley Rd Merion Station, Pa 19066
| 610.247.3520
| J2contracts@j2enterprises.net

An attorney-in-fact's **authority over your affairs comes to an end when you pass away.**

A Power of Attorney is helpful when you:

- Expect to be out of the country for extended periods of time
- Have a medical condition that affects your ability to make decisions for yourself
- Own a business and are concerned about its operation in the event of your absence
- Wish to set precise limits on the handling of your finances and property if you are ever incapacitated

Choosing your attorney-in-fact is just as important as choosing the executor of your Will. Your attorney-in-fact needs to be a mentally able adult who is not involved in any bankruptcy proceedings when you assign power to them.

To minimize any conflicts of interest, they also can't own or work at an extended care facility or nursing home in which you are a resident.

Most importantly, an attorney-in-fact needs to be someone you trust, as they will be making important decisions on your behalf.

Step 5: Create your Health Care Directive (Living Will and Medical Power of Attorney)

We don't always know what the future has in store for us. By creating a [Health Care Directive](#), you're better prepared in the event you need to make difficult medical decisions.

Your directive contains two documents: a Living Will and a Medical Power of Attorney.

A **Living Will** allows you to plan your medical treatment in advance. It ensures your bases are covered if something unexpected happens and you're unable to express your personal health wishes.

A **Medical Power of Attorney** is a document you use to appoint someone to make medical decisions on your behalf. For example, suppose you're incapacitated or unable to consent to medical treatment. In that case, your medical attorney-in-fact will use your Living Will as a guide for making decisions about your medical care.

Why is a Health Care Directive important?

Creating a Health Care Directive not only gives you more control over your medical wishes, but it also spares your family members from making difficult medical decisions in an overwhelming situation.

By including a Medical Power of Attorney in your directive, you also have the opportunity to discuss your medical preferences with someone you trust before any unforeseen medical circumstances present themselves.

Which details does a Health Care Directive cover?



| 220 Valley Rd Merion Station, Pa 19066
| 610.247.3520
| J2contracts@j2enterprises.net

A Health Care Directive contains the details and contact information of the person you granted Medical Power of Attorney. This is so medical personnel know that your medical attorney-in-fact is someone you trust to make decisions on your behalf during an emergency.

It also outlines the types of medical care you want if you're in a terminal condition, permanent coma, or persistent vegetative state. The types of medical care you may want if in these conditions include:

- **Comfort care:** Treatment with the sole objective of relieving pain. It may lengthen or shorten your life and doesn't include artificially administered food and water.
- **Life support:** Any life-prolonging procedure that helps to restore, replace, or maintain a spontaneous and vital bodily function (e.g., assistance with maintaining breathing or blood pressure)
- **Tube feeding:** Receiving food, water, and medicine through a tube directly attached to your stomach or small intestine.