

Estate Planning Basics

Estate planning is the continuing process of arranging for the use, conservation, and transfer of your estate during life and upon death. Done properly, it provides you a measure of material security during life and protects your heirs from a legal headache after you die. This fact sheet contains brief overview of the estate planning process.

You may wonder whether you have an estate, but you do. Whether you only own a computer and some clothes or have millions of dollars invested throughout the world, you have an estate and need to plan for it. The first step in planning is to identify objectives and set goals. Your goal might simply be to get out of debt.

Regardless of the complexity of your estate or plan, you should start with a budget. A simple budget identifies your monthly income and monthly expenses. With a budget, you can forecast your needs and plan for the inevitable bumps and beautiful vistas on the road of life. Events you should plan for include periods of unemployment or disability, marriage and children, retirement, elderly parents, incapacity, and death.

As you plan for the unexpected (and the inevitable) your comprehensive estate plan is likely to include a cohesive mix of bank and investment accounts, insurance policies, powers of attorney, wills, medical directives, and other documents. The following is a brief description of each:

Bank and Investment Accounts – Accounts are a great tool for saving money for large purchases, retirement (e.g., TSP), unemployment, or sickness.

Insurance Policies – Insurance reduces the risk of a catastrophic financial setback. Types of insurance include life, medical, property, disability, and car.

Powers of Attorney (POA) – A POA allows someone to do something for you when you are unable to do it for yourself, such as when you are deployed or incapacitated.

Wills – A will is a legal document allowing you to specify who will receive your estate following your death. It can also name a guardian for any minor children of yours.

Medical Directives – These include both living wills and medical powers of attorney. Both allow you to direct your medical care in the event you are incapacitated.

Northern Law Center-SHAPE can provide assistance in developing an estate plan and answer questions you may have about your plan. Once you have identified your goals and needs, it can draft the legal documents necessary to implement your estate plan.

Estate Planning Basics is distributed by the Northern Law Center-SHAPE, located in Building 318 on SHAPE. Our office hours are 0900 to 1700 Monday through Friday. You may call us for an appointment at DSN 423-4868 or civilian (32) 65/44 48 68. Visit us on the Internet at <http://www.usagbenelux.eur.army.mil/sites/installation/legal.asp> for helpful information on other legal topics.