



\*\*\*All documents are included in our Base Will Package\*\*\*

## SUMMARY OF ESTATE PLANNING DOCUMENTS

### LAST WILL & TESTAMENT

The Last Will & Testament (aka Will) is the foundation of your estate planning. The maker of the Will is called the Testator (male) or Testatrix (female). Through the Will, the Testator provides the details for who will inherit property and when and how the distributions will be made. A guardian for minor children can also be named in this document.

The Testator chooses an Executor who will manage the probate process and carry out the provisions of the Will.

The Will generally does not govern assets with beneficiary designations. These designations are governed by contractual agreement and, in most cases pass directly to the named beneficiaries outside of probate regardless of the stipulations in the Last Will and Testament. The exception to this is when the beneficiary is the Testamentary Trustee or the Estate.

A testamentary trust is an irrevocable trust created through instructions in the Last Will & Testament to manage inheritance proceeds for certain beneficiaries.

When the testator passes away, the Last Will & Testament will go through probate to determine authenticity and appoint the Executor.

The Executor of the Will then distributes the assets according to the instructions in the Will and transfers the inheritance for certain beneficiaries to the Testamentary Trustee. (The executor and trustee are usually the same person.)

The trustee then creates and manages the trust(s) for each beneficiary until the beneficiary reaches a predetermined age set forth in the will. If a beneficiary is past the specified age, the trust will not be established, and property and/or assets are inherited outright. The testamentary trust can also be established for a beneficiary who is incapacitated.

### STATUTORY DURABLE POWER OF ATTORNEY

The Statutory Durable Power of Attorney is a legal document by which you grant authority to a trusted agent to act on your behalf on financial issues. The maker of the document is called the "principal". The person to whom the principal is granting the authority is called the "agent" or "attorney-in-fact". When a power of attorney is durable, it simply means that it stays in effect in the event the principal becomes incapacitated.

Limits can be set on the agent's powers, granting as much or as little power as the principal deems appropriate. The Power of Attorney can be changed or revoked at any time by the principal so long as the principal has mental capacity to do so. The authority conferred by a Power of Attorney always ends upon the death of the principal.

Because the Power of Attorney allows someone to essentially step into your shoes, it is very important that a) you appoint someone you trust absolutely and b) have the document drawn up by a qualified professional.



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| <b>MEDICAL POWER<br/>OF ATTORNEY</b> | <p>The Medical Power of Attorney is a legal document by which authority is granted to a trusted agent to act on your behalf on medical issues. The agent will have the power to make medical decisions if you are incapacitated and unable to communicate your wishes.</p> <p>The document contains HIPAA (Health Insurance Portability and Accountability Act) language that grants the agent the authority to access records, handle insurance and medical billing, and speak with doctors and medical personnel about your healthcare.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>DIRECTIVE TO PHYSICIANS</b>       | <p>A Directive to Physicians is also known as a Living Will. It is an important legal document that directs doctors and health care professionals regarding life-sustaining treatment if your condition is terminal or irreversible due to illness or injury. The document only becomes effective when the doctor certifies that you have a terminal or irreversible condition and you are not able to communicate or otherwise make your wishes know.</p> <p>The Directive to Physicians...</p> <ul style="list-style-type: none"> <li>• Covers only your end-of-life treatment options</li> <li>• Takes effect only when a doctor says you will not recover</li> <li>• Does not prevent you from receiving medical treatment</li> <li>• Does not prevent treatment and medication to make you more comfortable</li> <li>• Does not authorize mercy killing or assisted suicide</li> <li>• Allows you to die by natural process</li> <li>• Can be canceled (revoked) at any time, regardless of your mental state</li> <li>• Can be made for your minor child or ward</li> <li>• Is not effective if you are pregnant</li> <li>• Is valid in other states</li> <li>• Does not affect your will, estate, or finances</li> <li>• Does not affect your health or life insurance premiums</li> </ul> <p>The Directive to Physicians will not be effective in the event of a medical emergency outside of a hospital setting. Ambulance and hospital emergency department personnel are required to provide cardiopulmonary resuscitation (CPR) unless they are given a separate directive that states otherwise. This directive is called an "Out-of-Hospital do-not-resuscitate order". It is designed for people whose poor health gives them little chance of benefiting from CPR.</p> |



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| <b>DECLARATION OF GUARDIAN</b>                         | <p>In Texas, guardianship is a legal relationship established by a court of law that appoints a guardian to care for someone who is incapacitated and unable to care for themselves. The Powers of Attorney generally eliminate the need for guardianship, however, there are circumstances where a guardianship may be needed. For example, if the Power of Attorney is rejected, agents are deceased or unable to serve, there has been a breach of fiduciary responsibility by an agent, or you are considered a danger to yourself or others. The Declaration of Guardian document allows you to tell the court your choice in the event the need arises. The court will appoint the individual you name as long as they are willing, qualified, and in your best interest. You may expressly disqualify someone from serving as your guardian. There are two facets to a guardianship:</p> <ul style="list-style-type: none"> <li>• Guardian of Person – responsible for providing care, supervision, and protection for you (clothing, food, medical care, shelter). The proposed guardians of person are usually the same as the agents in your Medical Power of Attorney.</li> <li>• Guardian of Estate – responsible for possessing and managing property and assets. The proposed guardians of estate are usually the same as the agents in your Financial Power of Attorney.</li> </ul> |
| <b>APPOINTMENT OF AGENT FOR DISPOSITION OF REMAINS</b> | <p>This document appoints an agent who is responsible for carrying out your final arrangements. The agent has the authority and duty to control the disposition of your remains. Instructions may be included in the document to state your wishes. It is important to keep in mind that your agent or successor agent may be responsible for paying the cost of services to the funeral home. This expense can be reimbursed by the estate. Without this document whereby you name an agent, any dispute concerning right to control disposition of your remains may be resolved by a court. The cemetery or funeral establishment will refuse to accept or dispose of remains until a court order or suitable confirmation that the dispute has been settled has been received.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>FUNDING TABLE</b>                                   | <p>The funding table is not a legal document, but it is an important step in your estate planning. The funding table is useful for several reasons including:</p> <ul style="list-style-type: none"> <li>• Listing of all assets with information such as owner's name(s), ownership (how the asset is held), description, approximate value, and beneficiary designations</li> <li>• Reviewing and updating beneficiary designations on all accounts and policies</li> <li>• Noting long term care and burial provisions</li> <li>• Detailing of transferring assets to a trust</li> <li>• Starting point for your family if something happens to you</li> </ul> <p>Working through the funding table and taking the appropriate action ensures your assets are distributed according to your wishes by verifying that ownership and beneficiary designations are correct.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |