

| COMMON ESTATE PLAN DOCUMENTS                                |  |   |  |  |  |
|---|--|---|--|--|--|
|   | LAST WILL AND TESTAMENT  | LIVING WILL   | MEDICAL POWER OF ATTORNEY (POA)  | FINANCIAL POWER OF ATTORNEY (POA)  | REVOCABLE LIVING TRUST   |
| WHAT DOES THIS ESTATE PLAN DOCUMENT DO?                     | This document explains how one's property and assets are to be distributed upon one's death                                    | This document explains one's preferences for life-sustaining treatment if one is terminally ill and incapacitated                             | This document grants someone else the power to make medical decisions on one's behalf immediately (durable POA) or upon incapacitation (springing POA) | This document grants someone else the power to make financial decisions on one's behalf immediately (durable POA) or upon incapacitation (springing POA) | This document explains how one's property and assets are to be distributed upon one's death                  |
| WHY MIGHT SOMEONE CONSIDER USING THIS ESTATE PLAN DOCUMENT? | To avoid letting one's state law determine (with no say from the family) how one's assets and belongings are to be distributed | To ensure one's medical preferences (e.g., dialysis, CPR, tube feeding, surgery, resuscitation, ventilation, etc.) are appropriately followed | To ensure important medical decisions (e.g., life-sustaining treatment, surgery, etc.) are not delayed or denied                                       | To ensure important financial decisions (e.g., paying bills, selling assets, filing taxes, etc.) are not delayed or denied                               | To avoid probate, keep the estate private, and ensure one's wishes are carried out immediately without delay |

| COMMON ESTATE PLAN PERSONNEL                     |   |  |   |   |   |
|--|---|--|---|---|---|
|  | EXECUTOR  | GRANTOR  | TRUSTEE   | POWER OF ATTORNEY (POA) AGENT   | GUARDIAN  |
| WHAT DOES THIS PERSON DO?                        | Settles the estate as dictated by the will  | Creates the trust and decides what it should accomplish  | Manages the trust for the beneficiaries   | Makes financial and/or medical decisions on behalf of another person  | Cares for and makes decisions on behalf of a child  |
| WHAT DUTIES WILL THIS PERSON BE RESPONSIBLE FOR? | Handling probate, paying off debts, distributing assets, filing final tax returns, etc. | Forming the trust, naming a trustee(s) and beneficiaries, specifying how the trust will be managed, etc. | Carrying out the trust's instructions, distributing assets, filing trust tax returns, managing trust assets, etc. | Medical: making decisions regarding surgery, treatment, location of services, etc.<br><br>Financial: paying bills, filing taxes, managing investment accounts, etc. | Financially supporting the child, raising the child, enrolling the child in school, managing the child's healthcare, providing food and shelter, etc. |
| WHAT DOCUMENT IS THIS PERSON TYPICALLY NAMED IN? | The will  | The trust  | The trust   | The medical and/or financial POA documents  | The will  |

|  | COMMON ESTATE PLAN STRATEGIES FOR TRANSFERRING ASSETS |                      |                        |                  |                     |
|--|---|----------------------|------------------------|------------------|---------------------|
|  | JOINT OWNERSHIP                                       | BENEFICIARY          | REVOCABLE LIVING TRUST | WILL             | NO WILL (INTESTACY) |
| WHAT STRATEGIES DOES THIS TAKE PRECEDENCE OVER?                  | Beneficiary, Trust, Will, No Will                     | Trust, Will, No Will | Will, No Will          | No Will          | N/A                 |
| DOES THIS STRATEGY AVOID PROBATE?                                | Yes   | Yes                  | Yes                    | No               | No                  |
| HOW QUICKLY DO ASSETS TYPICALLY PASS TO HEIRS?                   | Fast  | Fast                 | Fast                   | Slow             | Slow                |
| DOES THIS STRATEGY HAVE EXPENSES?                                | No  | No                   | Yes                    | Yes              | Yes                 |
| IS THIS STRATEGY PUBLIC OR PRIVATE?                              | Private   | Private              | Private                | Public           | Public              |
| CAN THIS STRATEGY BE CONTESTED?                                  | No  | No                   | No <sup>1</sup>        | Yes              | Yes                 |
| CAN ASSETS PASS OUTSIDE OF THE ESTATE WITH THIS STRATEGY?        | No  | No                   | No <sup>2</sup>        | No               | No                  |
| DOES THIS STRATEGY REQUIRE AN ADDITIONAL TAX RETURN TO BE FILED? | No  | No                   | No <sup>3</sup>        | No               | No                  |
| DOES THIS STRATEGY GENERALLY REQUIRE HIRING AN ATTORNEY?         | No  | No                   | Yes                    | Yes <sup>4</sup> | No                  |
| CAN IRAS AND ERISA PLANS BE PASSED ON?                           | No  | Yes <sup>5</sup>     | No <sup>5</sup>        | Yes              | Yes                 |

<sup>1</sup>While there may be circumstances when a trust could be contested (e.g., fraud, etc.), they are rare in comparison to how a will might be contested.

<sup>2</sup>Assets will only pass outside of the estate (i.e., not subject to estate taxes) if they are held within an irrevocable trust.

<sup>3</sup>A revocable living trust becomes irrevocable upon the grantor's death. At that point, the trust may require a tax return to be filed (depending on the amount and timing of income in the trust).

<sup>4</sup>While some states may consider a self-made will to be legally valid, hiring an attorney is generally recommended to help you draft a proper will.

<sup>5</sup>IRAs and ERISA plans cannot be put in a trust. However, a trust can be listed as the beneficiary of IRAs and ERISA plans.

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