



Your Digital Vault
INFORMATION SECURITY SOLUTIONS

Estate Planning Guide

What Is Estate Planning?

Estate planning is the act of putting your affairs in order so that your loved ones are taken care of if a life event occurs. No matter how large or how modest, everyone has an estate- problem being you cannot take it with you when you pass. You probably want to be in control of how your estate is divided when you pass and to ensure your wishes are carried out. Instructions stating the who, what, where, when, and how they are to receive it is of utmost importance. A will is an essential piece of the plan, so are lists of your assets, obligations, key contacts, and important documents.

Your Digital Vault helps you ensure your records are available to those who will carry out your plan. Refer to your advisors for specific requirements so there's no delay in probate.

Life events will happen. It's best to be prepared.

Which Legal Documents Do I Need?

When beginning your estate planning journey, it is recommended to start with a Will or Living Trust. A Will directs how assets in your name will be distributed. These assets must still go through your state's probate before they can be given to your intended beneficiaries. (Probate process varies from state to state.) All in all, the court system

First, everybody needs a will. No matter how modest your assets are, you'll want them to get into the right hands as quickly as possible.

Beyond that, consider one or both of the following, depending on your circumstances:

- A trust. This is a legal contract that will allow an individual you name (the "trustee) to manage and oversee the assets you bequeath for the benefit of the people you name. If you have dependent children or elderly family members who



Your Digital Vault
INFORMATION SECURITY SOLUTIONS

are unable to fully manage their own affairs, a trust will help them. People often have them, in part so that they can manage their assets for multiple generations.

- Power of attorney. This document grants a trusted person you name (your "agent") to act on your behalf if you become incapacitated. This permission can be as broad or as limited as you choose. For example, it can cover medical decisions or financial decisions, or both.

An Estate Planning Checklist

Estate planning goes well beyond drafting a will. Thorough planning means accounting for all of your assets and ensuring that they transfer as smoothly as possible to the people or entities you wish to receive them.

Not sure how to get started? Follow this checklist, enter your information into YourDigitalVault and you'll be covered.

1. Itemize Your Inventory

To start, go through your home inside and outside, and make a list of all valuable items. Examples include the home itself, televisions and computers, jewelry, collectibles, vehicles, art and antiques, equipment, and tools.

As you go, you might add notes if you come across something that you want to leave to a particular person.

Don't forget possessions of sentimental value like family pictures or clothing. Make a note of possessions you want to donate to a favorite charity.

Add pictures to your digital vault to help avoid confusion.

Keep in mind the list may be a good deal longer than you expected.



Your Digital Vault
INFORMATION SECURITY SOLUTIONS

2. Document Your Non-Physical Assets

Add your financial assets and entitlements to the list, with enough specifics that they can be claimed by your heirs.

This includes bank and brokerage accounts, retirement plans, life insurance policies, and any other policies such as long-term care, homeowners, auto, disability, and health insurance.

Include the account numbers and specify the location of any physical documents you have in your possession in the Notes section of your vault. List contact information for the firms holding these non-physical possessions.

3. Assemble a List of Debts

Make a separate list for all of your open credit cards and other obligations. This could include auto loans, mortgages, (HELOCs), and any other debts or open lines of credit you have.

Note the account numbers, the location of signed agreements, and the contact information of the companies holding the debt.



Your Digital Vault
INFORMATION SECURITY SOLUTIONS

Include all your credit cards, noting which ones you use regularly and which ones are sitting in a drawer unused in the notes section of your account.

4. Make a List of Memberships

If you belong to any organizations such as AARP, a teachers union, a veteran's association, a professional accreditation association, or a college alumni group, amazon, netflix, ski club etc. Make a list of them.

Include any other charitable organizations that you support. You can let your beneficiaries know which charitable organizations or causes are close to your heart and to which you might like donations to go in your memory. This information can go in the Other section of the Data Collection Wizard questionnaire.

Make a note of any automatic donations you make regularly to a charitable organization so that your heirs can cancel them or take them on.

5. Review Your Retirement Accounts

Accounts and policies that have designated beneficiaries will pass directly to those people or entities upon your death.



Your Digital Vault
INFORMATION SECURITY SOLUTIONS

Be aware that it doesn't matter how you direct that these accounts or policies be distributed in your will or trust. If there's a conflict, the beneficiary designations associated with the retirement account will take precedence.

Check your online account or contact your employer's customer service team or plan administrator for a current listing of your beneficiary selections for each account. Review them to make sure they're current. This is especially important if you have divorced and remarried.

6. Update Your Insurance

As with retirement accounts, life insurance and annuities will pass directly to your named beneficiaries. If you have life insurance, make sure your beneficiaries are up to date and listed correctly.

In terms of timing, this might be the most critical part of your estate plan. Your heirs will need immediate access to some of your assets for their daily needs as well as to plan for your funeral.

7. Authorize "Transfer on Death" Designations

Depending on your state's laws, your heirs might have to go through a probate court procedure before your assets are distributed. Probate is always required if a person dies intestate.

This process, in which your assets are distributed per court instruction, can be costly and time-consuming.



Your Digital Vault
INFORMATION SECURITY SOLUTIONS

Many assets, such as bank savings, treasury accounts, and individual brokerage accounts, are unnecessarily probated every day. If you hold these accounts, they can be set up—or amended—to have a (TOD) designation, which allows the beneficiaries to receive the assets without going through the probate process.

8. Choose a Responsible Estate Administrator

Your estate administrator or executor will be in charge of administering your will when you die. It is important that you select an individual who is responsible and competent to make decisions.

Consider all qualified individuals. You might name a close friend or another family member who you trust to act impartially on your behalf.

9. Draft Your Will

Everyone over the age of 18 should have a will. It is the rulebook for the distribution of your assets, and it could prevent havoc among your family.

It's best done as soon as you have prepared all of the documentation described above. A list of assets will make it easier to decide who gets what.



Your Digital Vault
INFORMATION SECURITY SOLUTIONS

A will can also name a guardian for minor children and designate who should care for your pets. You can leave assets to charitable organizations through your will, too.

Make sure that you sign and date your will in front of two non-related witnesses, who should also sign the document. Then have it notarized.

Finally, make sure other people know the location of the physical document so they may access it when needed. This information should be added to the Notes section in your vault.

10. Regularly Review and Update Your Documents

Review your will for updates at least once every two years and after any major life-changing events like a marriage, divorce, or the birth of a child. Life is constantly changing, and your assets and wishes are likely to change from year to year, too.

You may think that you've covered all your bases, but it's a good idea to consult with a professional on a full investment and insurance plan. And if it's been a while, you may want to revisit your plan.

As you get older, your needs may change, such as figuring out if you need long term care and protecting your estate from a large tax bill or lengthy court processes.

11. Complete Other Important Documents



Your Digital Vault
INFORMATION SECURITY SOLUTIONS

At a minimum, you should create a will, power of attorney, healthcare proxy, and living will.

Consider setting up both financial and medical powers of attorney so that people you trust will be there handling your affairs should you become incapacitated.

You can also write a letter of instruction to leave step-by-step instructions as well as spell out your personal wishes for things like your funeral or what to do with your digital assets like social media accounts.

If you're married, each spouse should create a separate will, with plans for the surviving spouse.

What Are the Most Common Estate Planning Mistakes?

The biggest and, sadly, the most common, estate planning mistake is not doing it at all. Your loved ones will be thrown into chaos if you die without a will in place and a comprehensive list of your assets and liabilities.

It is equally important to plan for the possibility that you will become incapacitated. It's crucial to have a power of attorney, healthcare proxy, and living will in place.

Other common mistakes, according to the site Trust & Will, include:



Your Digital Vault
INFORMATION SECURITY SOLUTIONS

- Failing to communicate. Talk to your loved ones about your estate plan. Tell them what you've decided and why. Make sure they know the practical facts, like who your attorney is and where the will is stored.
- Naming only one beneficiary. You may expect to leave everything to your spouse or a child. But you need a secondary beneficiary, just in case.
- Forgetting your digital footprint. Tell your heirs how you want them to handle your LinkedIn account, Facebook account, email, and any other website where you have a presence.
- Not updating. Review your plan once a year to make sure it still reflects your wishes and covers all the bases.

What Are the Essential Documents in an Estate Plan?

Number one is the will of course. Beyond that, the essential documents in an estate plan include:

- An inventory of your physical assets.
- A list of all of your financial accounts.
- A list of all of your debts and open credit accounts.
- A clear identification of your life insurance account with contact details.

Beyond those pieces of paper, go to your online accounts or contact their customer service departments to make sure your beneficiary designations are in place.

What Are the Risks of Not Having an Estate Plan?



Your Digital Vault
INFORMATION SECURITY SOLUTIONS

If you don't have a will or your intentions are unclear for any other reasons, your estate will wind up in probate court.

That means that a probate judge will determine what should be done with your assets, based on your state's laws.

Moreover, if you die without leaving clear documentation of your assets and where they are, your surviving family members will be hard-pressed to locate and claim the money and possessions you want them to have.

In short, not having a will and not documenting your assets leaves a big mess for your heirs.