



Family Continuation Planning

Discussion Topics

Living Will & Testament

Important Legal Documents

Living Trust (3 types)

Will vs. Trust

Life Insurance

Conversations with Beneficiaries

Legal Advice & Assistance

Q&A



Living Will & Testament

Living Will & Testament

A **will or testament** is a legal document that expresses a person's wishes upon death regarding:

- Distribution of assets/property
- Appointment of guardians for minor children or disabled dependents

If you don't have a will, the state where you reside has one for you, and they get to decide what will be done.



Living Will & Testament

The purpose of a **living will** is to provide loved ones with care instructions to follow in case you're ever unable to act autonomously.

- If you become physically or mentally incapacitated.
- Common scenarios include
 - accidents,
 - terminal illness,
 - comas,
 - progressive disabling health conditions, and
 - dementia.



Important Legal Documents

Why A Power of Attorney (POA)?

These are important documents in case you:

- become physically or mentally incapacitated and
- cannot handle your financial affairs or make your own medical decisions.



Power of Attorneys (POAs)

Four basic types of **power of attorney**.

- General Power of Attorney
- Limited Power of Attorney
- Durable Power of Attorney
- Springing Power of Attorney

Additional type:

- Medical Power of Attorney



Durable Power of Attorney

The key differentiator for a **durable power of attorney** is that it endures even after you have become incapacitated.

On the other hand, any Limited or General POA dissolves upon you becoming incapacitated, and a court will need to appoint a guardian or conservator to handle your matters.

You want to authorize a **durable power of attorney** if:

- You want to give the named agent authority ONLY if you are unable to act for yourself;
- You want to give the named agent immediate authority that continues after you are unable to act for yourself.

▶ Springing Power of Attorney

The **springing power of attorney** serves the same purpose as a durable power of attorney, but it comes into effect only upon your becoming incapacitated.

When drafting this document, it is vital that you make crystal clear your definition of “incapacitated.”

Medical Power of Attorney

The **medical power of attorney** grants your agent the authority to make any and all health care decisions for you in accordance with your wishes, when you are no longer capable of making those decisions for yourself.



HIPPA Release

The **HIPPA release form** is used to designate a representative who is authorized to obtain your confidential medical information from hospitals, doctors, insurance companies, etc.

It is important that the agent you appoint on your Medical POA has this **release**.

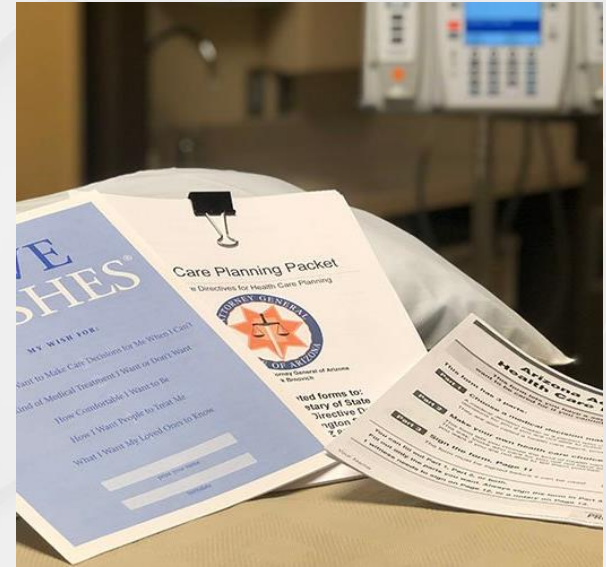


Directive of Physicians Will

Also known as **Advance Health Care Directive**.

This directive allows you to convey your decision about end-of-life care ahead of time to your family, friends, and health care staff and professionals to avoid confusion in the future.

- An integral part to your living will.



Transfer on Death (TOD)

Also known as **Payable-on-Death (POD)** which transfers ownership to one or more designated beneficiaries.

- TODs apply to certain assets that have a named beneficiary.
- Documents must be provided to entity
- Beneficiaries don't have access to the assets prior to the owner's death.
- The beneficiaries receive the assets without having to go through probate.



Funeral Planning Form

A **funeral planning form** outlines and records the specifics of all your wishes in the pre-planning of your funeral and final arrangements.

- Memorial service(s) and participants
- Burial/Cremation; location of remains
- Obituary preparation
- Memorial donations recipient(s)



Living Trust

Living Trust

A **trust** is a fiduciary arrangement that allows a third party, or trustee, to hold assets on behalf of a beneficiary or beneficiaries.

- Trusts can specify exactly how and when the assets pass to the beneficiaries.
- No court or attorney fees after the trust is established.
- Your property passes directly to your named beneficiaries.



3 Types of Trust

1

Revocable
Trust

2

Irrevocable
Trust

3

Testamentary
Trust

▶ Revocable Trust

A **revocable trust** (also known as a **living trust**) is used to avoid having your estate subject to probate — the legal process of distributing your estate.

- Probate can be a lengthy, expensive and public process, making it a suboptimal route for your heirs when administering your estate.
- You retain control of assets and can move assets in and out. Because you regain control, you are still responsible for taxes.
- Utilizing a revocable trust can be especially effective if you own property in multiple states.

▶ Irrevocable Trust

Assets in an **irrevocable trust** can't be removed or amended after they've been placed in the trust.

- You relinquish control of assets placed in an irrevocable trust.
- The assets are effectively removed from your estate, thereby protecting you from possible estate taxes.

▶ Testamentary Trust

A testamentary trust is created through a will and the terms of the trust are spelled out within the will.

- This type of trust **goes into effect upon your death** rather than creating and funding a trust immediately.
- Testamentary trusts are often used as a tool that can help you create a trust for minor children.
- Even though assets in a testamentary trust may be subject to probate, the flexibility this type of trust offers when assigning a trustee may outweigh its costs.

Will vs. Trust

Will vs. Trust

WILL		TRUST
Takes effect upon death	Will	Living Trust
Goes through probate	↓	
Easy to change	Probate	↓
Names guardianship of minors	↓	
Transfer of assets can take time	Heirs	Heirs
Becomes public		
Very affordable		
Easily contested		

Life Insurance



Life Insurance Can Be An Asset

Life insurance has a unique ability to create an immediate estate for your beneficiaries when you die, often for pennies on the dollar.

It allows money to be passed directly to the designated beneficiary, essentially bypassing probate.

- Estate tax funding through life insurance
- Preserving family assets
- Estate equalization
- Estate plan creation

Life Insurance

Understanding the purpose and determining if you (or your family) need life insurance is just as important as making sure you have the right kind.

- Do you have private life insurance?
- Do you need or have enough life insurance?
- What type of life insurance is the right kind?
- What alternative plans are available to cover funeral/final expenses?
- Can you get a policy for minor and adult children?

Do You Have Private Life Insurance?

3 Reasons Why Most People Don't Have Private Life Insurance

Know

They know they need it but haven't gotten around to it.

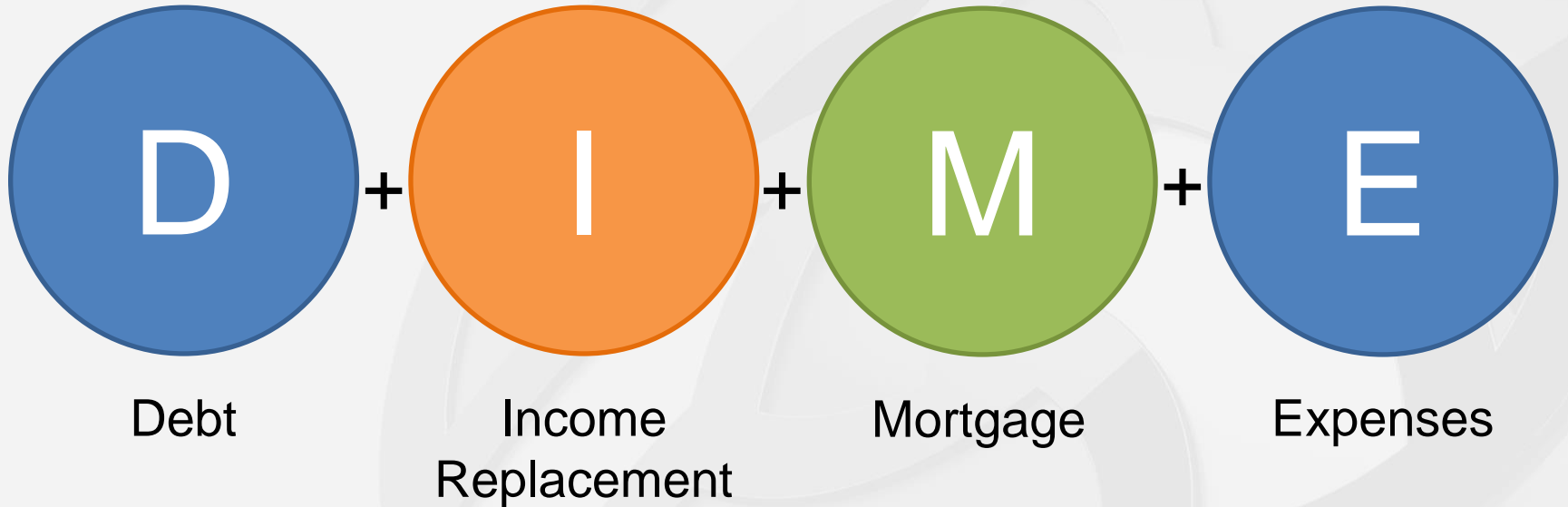
Cost

They are concerned and uncertain about the cost.

Don't Care

Unfortunately, in some cases, they just don't care.

Determine Your Life Insurance Need



The Right Kind of Life Insurance

Term Life Insurance (Young and Healthy)

- **Cost** (based on age & health)
- **Coverage** (high amount of insurance coverage at low cost)
- **Child Rider** (covers children up to age 18 or 25)
- **Living Benefit Rider** (terminal illness benefit)
- **Waiver of Premium/Disability Rider** (waives premiums for term of policy, if permanently disabled)
- **Family Banding** (lowers cost of insurance and annual policy fees by putting families on one policy)

Alternative Plan – Burial Insurance

Burial or Funeral Insurance

- This is another option, if you don't qualify for life insurance due to health reasons.
- Make arranged payments to a plan to cover burial expenses.
 - Option for medical questions (cost less) or no medical questions (cost slightly more).
 - \$5,000 to \$10,000



Life Insurance for Children

Parents can insure **children of any age.**

- **Minor children** can be covered using a child rider on your life insurance policy.
- **Adult children** who are not financially responsible or disabled, may be a reason for a parent to get a separate life insurance policy for each of them.
- Parent(s) would be responsible to pay the policy's monthly premiums.



Long Term Care Insurance

- LTCI helps protect your savings and assets from the costs of care **NOT COVERED** by traditional insurances or government programs, like Medicare.
- LTCI aka Dignity Insurance.
- Ideal for persons 55 or older.
- Premiums are tax deductible.



Conversations with Beneficiaries

Update Beneficiaries on Accounts

This is a courtesy reminder to **update beneficiaries** on all your accounts and review them annually or as your living situation changes.

Be sure to provide both a **primary and contingent beneficiary**.

- Bank accounts
- Retirement/Investment accounts
- Property deed/paperwork
- Will/Trusts



Inform Your Beneficiaries

Have a conversation to **share your wishes** and **any other important information** with all beneficiaries at the time you complete these documents, and occasionally afterwards. (Provide them copies and the location of documents.)

Many times, people have no clue they are mentioned as beneficiaries on important documents. In some cases, these proceeds are held for years or go unclaimed on:

- Wills / Trusts / Property Deeds
- Bank Accounts / Retirement and Investment Accounts
- Life Insurance Policies

▶ Here's Why You Should

Click on image for link to video.





Legal Advice & Assistance

Estate Planning Help

Before going ahead and adding a trust to your estate plan, it's important to remember that setting up a trust can be quite expensive.

Talk with your financial advisor or an estate planning attorney to **ensure a trust makes sense for you** before adding one to your estate plan.

Pre-Paid Legal Plan

- Estate Planning
- Consumer Finance
- Traffic Violations
- Real Estate
- Landlord/Tenant
- Demand Letter/Calls
- Employment
- Criminal
- Collections
- Family Law
- Contract Review
- Business Owner Legal Plan



All these benefits covered without additional legal fees under the plan. Plan also provides coverage for family members and dependents up to age 26 sharing the same residence.

Get Help with Requests like...

- I would like for you to answer my phone call 24/7/365 and give me legal advice.
- Preparation of will and testamentary trust; probate my will. *(Save thousands of dollars with attorney probate fees fully covered if you're a member and your will is prepared by service; assuming no complications.)*
- I have a legal problem and need legal work done; I would like a 25% discount.
- I would like you to review any legal documents I have.
- I would like 2 demand letters every year.
- I would like for you to handle all my speeding tickets or traffic citations.
- I want my immediate family (spouse and kids) to have this same deal.
- New uncontested divorce, uncontested adoption or uncontested name change.
- New residential loan document services.

Select Your Legal Plan

bit.ly/get-your-legal-plan

*20% of legal service plan sales
generated from BMF referrals is donated to
Black Mothers Forum, Inc.*

Q & A

Contact Information



Juanita R. Williams

Debt / Insurance / MLO
Investment Adviser Rep.
(480) 658-7031



Tiffany Dudley

Debt & Insurance
(602) 696-7295

- Auto/Home/Life/Commercial Insurance
- Mortgage/Refinance/Debt Consolidation
- Debt Payment Plans
- Home Automation Security
- Senior Healthcare Plans
- Pre-Paid Legal Plans
- Identity Theft Protection
- Retirement Planning
- Business Retirement Plans
- Investments/Managed Accounts
- Rollovers/Transfers
- College Savings Plans