

ESTATE PLANNING BASICS

What does it mean to have an estate plan?

Generally, if you die without a will, trust, or other provision for the distribution of your money and property, that money and property will be distributed according to California law through a process called probate. This is a complicated process, but essentially the state will determine who gets the property based on their relationship to you. A comprehensive estate plan will help you plan for both incapacity and death.

PLANNING FOR INCAPACITY

DURABLE POWER OF ATTORNEY FOR FINANCES

A legal document that gives another person full or limited legal authority to make financial decisions on your behalf, while you are still alive but unable. Valid through incapacity. Ends at death.

ADVANCE HEALTH CARE DIRECTIVE

A legal document that lets you give someone else the authority to make health care decisions for you in the event you are unable to make them for yourself. Also called a health care proxy or medical power of attorney.

PLANNING FOR DEATH

ESTATE

Assets and debts left by an individual at death.

LIVING TRUST

A written legal document that creates an entity to which you transfer ownership of your assets. Contains your instructions for managing your assets during your lifetime and for their distribution upon your incapacity or death. Avoids probate at death and court control of assets at incapacity. Also called a revocable inter vivos trust. A trust created during one's lifetime.

POUR-OVER WILL

A type of will often used with a living trust. It states that any assets left out of your living trust will become part of (pour over into) your living trust upon your death.