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## **What Key Estate Planning Tools Should You Know About?**

Planning is a part of nearly everything we do in life. It's even a part of dying. How will you preserve your assets from estate taxes and probate fees? How will you ensure distribution according to *your* wishes? Who will make financial and medical decisions in the event of your incapacity?

By taking steps in advance, *you* have a greater say in how these questions are answered. And isn't that how it should be?

### **Wills and Trusts**

Wills and trusts are two of the most popular estate planning tools. Both allow you to spell out how you would like your property to be distributed, but they also go far beyond that. Just about everyone needs a will. Besides enabling you to determine the distribution of your property, a will gives you the opportunity to nominate your executor and guardians for your minor children. If you fail to make such designations through your will, the decisions will probably be left to the courts. Bear in mind that property distributed through your will is subject to probate, which can be a time-consuming and costly process.

Trusts differ from wills in that they are actual legal entities. Like a will, trusts spell out how you want your property distributed. Trusts let you customize the distribution of your estate with the added advantages of property management and probate avoidance.

Wills and trusts are not mutually exclusive. While not everyone with a will needs a trust, all those with trusts should have a will as well.

### **Durable Power of Attorney for Finances**

Incapacity poses almost as much of a threat to your financial well-being as death does. Fortunately, there are tools that can help you cope with this threat.

A durable power of attorney is a legal agreement that avoids the need for a conservatorship and enables you to designate who will make your legal and financial decisions if you become incapacitated. Unlike the standard power of attorney, durable powers remain valid if you become incapacitated.

### **Health Care Proxies and Living Wills**

Similar to the durable power of attorney, a health care proxy is a document in which you designate someone to make your health care decisions for you if you are incapacitated. The person you designate can generally make decisions regarding medical facilities, medical treatments, surgery, and a variety of other health care issues. Much like the durable power of attorney, the health care proxy involves some important decisions. Take the utmost care when choosing who will make them.

A related document, the living will, also known as a directive to physicians or a health care directive, spells out the kinds of life-sustaining treatment you will permit in the event of your incapacity. The directive creates an agreement between you and the attending physician. The decision for or against life support is one that only you can make. That makes the living will a valuable estate planning tool. And you may use a living will in conjunction with a durable health care power of attorney. Bear in mind that laws governing the recognition and treatment of living wills may vary from state to state.

### **Don't Wait Until It's Too Late**

Despite the importance of an estate plan, many Americans still do not have one. Why? Creating an estate plan forces each of us to come face to face with our own mortality — and dealing with death is difficult. But, it will be much more difficult for your loved ones if you don't have an estate plan. Don't delay! Now is the time to put together a well-thought-out estate plan for your family. For more information on estate planning including how life insurance can fit into the picture, please contact **Jason M. Woodward, J.D.** today at [financialattorney@gmail.com](mailto:financialattorney@gmail.com).