

Preparing Your Estate Plan: 12 Easy Steps

1. Prepare your Will. If you die without a Will, your estate ends up in probate court and your heirs' memories will not be as fond.
2. Gather other important documents. If you are 21 or older, make sure you have not only a Will, but also a Durable Power of Attorney and Health Care Proxy.
3. Use estate-planning software to at least make initial preparations. Most of the software packages available today give you a good start. Completing the questions in the software program gives an attorney the necessary information and saves you time and billable dollars. If you create legal documents with a software package, make sure an attorney reviews them.
4. Get your Will notarized with the correct number of witnesses. Laws vary from state to state on this. No beneficiary should ever sign as a witness.
5. Review your plan. If you already have an estate plan, you should always review your plan in cases of divorce, death of a spouse, adoption, birth of each child, moving from one state to another, receiving a windfall, and getting married or remarried.
6. Make a list of all of your assets and all of your liabilities. Your liabilities will have to be paid at your death. What's left over, minus administrative and probate costs, is what your beneficiaries will get. Decides who gets what, and in what proportion.
7. Name an executor. The executor is who will manage your estate from the time of your death until the time that your assets are distributed. This is a big job, so make sure the person has the time and ability to do it.
8. Choose a guardian for your children.
9. Have only one set of documents signed, witnessed, and notarized. You will probably get duplicate copies. Keep the others for your files.
10. Review your estate plan every few years, even if your situation is pretty much the same. Laws change constantly and your planning may be out of date.
11. Don't keep your insurance policies in your safe-deposit box. This delays filing for death benefits.
12. There are three kinds of joint ownership. If you die, your share does not automatically go to the other owner. Make sure you have the right kind of joint ownership for your needs. It is important to keep in mind that your estate planning needs are probably much less complicated than they seem, even if they don't include all of the topics touched upon here.