

THE BASIC PHASES OF AN ESTATE PLAN

For married couples, there are basically three phases of estate planning. Phase I is the period of time while both spouses are alive. Phase II is the period of time following the death of the first spouse, while the surviving spouse is alive. Phase III is the period of time after the death of the surviving spouse.

For single people, there are basically two phases of estate planning. Phase I is the period of time while you are alive and Phase II is the period of time following your death. In the information that follows, single people will only be concerned with the issues addressed below as Phase I and Phase III issues.

PHASE I - ISSUES TO ADDRESS FOR PERIOD OF TIME YOU ARE ALIVE

Typically, the biggest issues during Phase I relate to the control and management of your affairs in the event of disability. The best tool for the management and control of your assets in the event of a disability is a fully funded living trust. Other estate planning tools that are designed to address the issues related to disability include a **power of attorney** for handling your business affairs and a **medical power of attorney** for designating a proxy, or agent, to make decisions regarding your health care.

Regardless of whether you use a fully funded living trust or powers of attorney to address the control and management of your affairs in the event of disability, you will need to designate other people or a trust company to make decisions for you when you are not able to make them yourself. Issues to consider when choosing this person or company include:

- Business sophistication;
- Fee requirements;
- Flexibility;
- Impartiality;
- Integrity;
- Availability in an emergency;
- Willingness to follow your instructions; and
- Willingness to make difficulty decisions.

In addition, you should address your desire for life-sustaining measures in the event your death is imminent in a **living will**.

PHASE II - ISSUES FOR MARRIED COUPLES FOLLOWING THE DEATH OF THE FIRST SPOUSE

For married couples there are some common issues to consider during Phase II, the period of time following the death of the first spouse to die. These issues include:

1. Specific bequests of property to persons other than your spouse;
2. Whether you want to include strategies to minimize estate taxes;
3. Who, if anyone, should assist the surviving spouse in the administration of the estate; and
4. Instructions providing the appropriate degree of control of the estate of the first of you to die in the event the surviving spouse chooses to remarry. Protecting your children's inheritance and avoiding disputes are common goals that could be adversely impacted by the remarriage of the surviving spouse. We can discuss different ways to address these issues if they are of concern to you, but please think about this and discuss it with each other prior to our meeting.

PHASE III - ISSUES FOR PERIOD OF TIME FOLLOWING YOUR DEATH

There are some issues to be addressed following the death of the surviving spouse or following the death of a single person. Common issues to consider during Phase III include:

1. Specific bequests;
2. Structure of the inheritance for your children and other heirs;
3. Who should administer your estate;
4. Who you want to serve as guardian of minor children; and
5. Who you want to inherit your estate if all of your designated heirs predecease you.