

## Getting Your Ducks in a Row – Estate and Personal Planning Considerations

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**“Even though I have a big presentation to give at work today, it’s my mother’s birthday, and I promised to coach my daughter’s soccer practice tonight, I think I’d really like to take a top-down look at my overall estate plan today,” *said no one ever.***

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You are not alone. Few of us like to face our mortality or imagine a time when we won’t be able to care for our loved ones. Not doing so, however, is a disservice to them. Take it in manageable bites, and stay committed to your best intentions. We can help.

We have compiled a list of resources, checklist items and considerations to help you with this process.

You can begin by simply thinking about two basic components of material that your successors will need. The first is a set of **legal documents** that are needed to help **process your property**. The second component is **knowledge and access to information** that will help your loved ones **clearly understand and follow through on your wishes**.

We'll close with allied professionals whom we have vetted and trust to help you with your legal documents.

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*Let's start with the Legal Document Set*

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1. **Procure/Review Estate Planning Legal documents** – Best done by a professional! See Appendix A for Estate Planning Attorneys whom we trust. Once done, you'll want to keep all originals in a lockbox/safe that your *successors have access to*. Digital copies should be stored in a secure, online client vault (the Pauley Financial Document vault is a great option!), and provide a physical copy to your agents. A quick reference guide can be found [here](#) (well worth the short read)!
2. A **typical set of these legal documents** includes the following, however, note that your attorney may recommend others and some of the below documents may not be required for your circumstances.
  - a. Durable Power of Attorney (DPOA) – Confirm if your financial institutions will accept the DPOA; or, do they require their own?
    - i. This document may not be necessary if all assets are titled to a Revocable Trust
    - ii. Only valid while you are living
  - b. Health Insurance Portability and Accountability Act of 1996 (HIPAA) Authorization
  - c. Medical Power of Attorney (MPOA) – enables agent to make medical decisions on your behalf
  - d. Declaration of Guardian – may be required if you are deemed mentally/physically incapacitated (state specific) or for minors in your care
  - e. Do Not Resuscitate (DNR) order, if desired
  - f. Directive to Physicians and Family or Surrogates / Living Will: Consider this vendor as a resource to help you with this important topic: [Five Wishes](#)
  - g. Organ tissue or whole body donation authorization
  - h. Body Disposition Authorization Affidavit and/or Appointment of Agent to Control Disposition of Remains – may not apply, state specific
  - i. Last Will and Testament or Revocable Living Trust (with Pour-over Will)
  - j. Trusts Overview – [Click here for a Readable Two-Page Summary](#)
  - k. Transfer on Death Deed

### 3. Naming of agents – Choose your agents wisely!

- a. Agents have a fiduciary responsibility to you and your estate. This is a legal standard for the care with which they *must* make decisions or face culpability.
- b. Being an agent, while considered an “honor” can also be taxing from a time, effort and emotional perspective. Consider your agent’s ability and willingness to take on this responsibility; be sure to have a discussion with them to help them understand the commitment level that will be required.
- c. Consider avoiding “co-agent” situations when naming agents. Naming a single (or odd-number of agents) avoids issues of disagreement due to equal votes.
- d. Consider naming an institution, law firm, or an accounting firm as the *last in the succession* of agents to avoid a court petition if none of the other agents are able/willing to serve.

**Note:** *Everplan is an Estate Planning subscription service that simplifies and centralizes all of your estate planning for \$75/year. Visit <https://www.everplans.com/> for further information.*

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### *Now Let’s Move on to the Information, Knowledge and Access Part*

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1. **Estate Plan Cover Letter from Attorney** – This is a letter that most attorneys will include with your Will. This document serves to provide specific account titling and beneficiary designation language to support your estate plan. Review your financial accounts and life insurance policies to make certain that the beneficiary language is exactly as is specified in this cover letter. For accounts that do not have a beneficiary designation directly or pass through Payable-on-Death (POD) or Transfer on Death (TOD) instruction, confirm that they are of a type that supports your intentions and estate plan (Individual, JTWR0S, Tenants in Common, Tenants by Entirety, Community Property, Custodial Account, Revocable Living Trust, Tenancy by Entirety).
2. **Letter of Instructions** – Done well, this document serves to provide nearly all of the information your loved ones, fiduciary(s) and executor(s) will need to honor your wishes. A template can be found [here](#).
3. **Ethical Will / Legacy Letters** – Care to pass on a letter of love, lessons learned, your collected wisdom or hopes for your loved ones? This can be a meaningful, lasting gift that they can cherish for years to come. A sample can be found [here](#).
4. **Letter to Executor/Trustee** – While non-binding, would you like the opportunity to provide instruction, guidance or priorities to your agents beyond the scope of your legal document set?

5. As with your legal documents, keep originals in a lockbox/safe that your *successors have access to*; digital copies should be stored in a secure, online client vault and provide a physical copy for your agents.

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***Other Information to Gather and Organize – Your Agents Need Access!***

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1. Birth certificate
2. Social Security card
3. Passport
4. Marriage certificate/License
5. Divorce decree if applicable
6. Pre/Post-nuptial agreement if applicable
7. If prior military, DD Form 214
8. Titles to property such as cars/boats/trailers, etc.
9. Copies of the last three years of tax returns
10. An updated Net Worth statement – Clients of Pauley Financial will have access to regularly updated Net Worth Statements online. Please instruct your agents to contact us directly so that we may help them as needed – we are here to help.
11. Business Legal Documents, Succession Plans, Buy-Sell Insurance Agreements as applicable
12. Liabilities – These amounts typically are included in your Net Worth Statement; please review your Net Worth Statement at Pauley Financial to update these accounts (if they are not automatically updated via direct account access) enumerating institution, payment terms, principal balance and how these bills are currently being paid.
13. Make sure your agents understand your current employment status:
  - a. Leave of Absence
  - b. Paid Time Off
  - c. Short or Long-Term Disability
  - d. Medical Retirement
  - e. Purely retired
  - f. Part-time, 1099 work

14. Enumerate Employment Benefits and provide benefit account access to your agents:
  - a. Employee Service Center contact information and/or online access
  - b. Recent pay statement
    - i. Benefit deductions
    - ii. Paid Time Off
  - c. Medical
    - i. Health care coverage
    - ii. Health Savings Account (HSA) / Flexible Spending Account (FSA)
    - iii. Hospice coverage
  - d. Disability
    - i. Short-term disability
    - ii. Long-term disability
  - e. Life insurance – Confirm beneficiary designations are in accordance with your estate plan documents.
    - i. Beneficiary(s)
    - ii. Provisions for pre-mortem use
    - iii. Keeping the policy current while on disability
  - f. Employee equity programs - ESPP/RSUs/SARs/ISOs/NSOs
  - g. Retirement plans - Confirm beneficiary designations are in accordance with your estate plan documents.
    - i. Defined Contribution 401(k) / 403(b) / 457
    - ii. Defined Benefit (Pension)
    - iii. Deferred Compensation Plan
  - h. Verify Access to Government benefits:
    - i. Social Security Benefits Statement / Disability
    - ii. Social Security survivors' benefits - If you have dependent children, check your Social Security record to make sure you are at least currently insured. If you die "currently insured", your family might receive some income from survivor's benefits. If you are not currently insured, consider working to obtain the required credits.
15. Outline Cash Flow – Provide access to digital/online accounting system(s)
  - a. Sources of funds
    - i. Employment or employment benefits
    - ii. Business
    - iii. Portfolio (to include Required Minimum Distribution, annuity payments, royalties, etc.)
    - iv. Pension and/or Social Security

b. Uses of Funds

- i. Bill payment - What is automatically paid? How?
- ii. Living expenses
- iii. Medical expenses – track for possible deduction (out-of-pocket expense and mileage)
- iv. Care for others

16. Seek Fraud Protection

- a. Your Credit Score is an asset – consider monitoring this asset using a tool such as Credit Karma
- b. Consider putting a ‘freeze’ on accounts at three major providers if you are not interested in obtaining new sources of credit:
  - i. EquiFax
  - ii. Experian
  - iii. TransUnion

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## *Appendix A – Resources to Help*

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- [Estate Planning Basics Video](#) (Only 3 Minutes!)
- Overview of [Trust Basics](#) (A readable 2-pager)
- AMBIS aka FCACTX
  - Austin Memorial Burial & Information Society, <http://www.fcactx.org/>
  - AKA Funeral Consumer Alliance of Central TX
- Ethical Wills and Letters of Love – [Celebrations of Life](#)
- Online Estate Planning Tool (\$75 / year) - <https://www.everplans.com/>

*NOTE: This outline is intended to be a general, informational guide and not specific financial/investment/accounting/tax/legal advice for any individual or specific situation. Consult your attorney and/or tax advisor for specifics to your situation.*