The Importance of Having a Will
Objectives

• Understand basic will terminology
• Understand why a will is important
• Cost of wills and estate planning
• Pros and cons of various options
• Resources
What is a Will?

A legal declaration to:

• Identify the testator
• Appoint an executor
• Transfer assets (probate and non-probate)
Other Documents

- Living Wills
- Health Care Proxy
- Trust
Joint Survivorship

• What is joint tenancy with right of survivorship?

• Advantages:
  – Property is non-probate

• Disadvantages:
  – Does not protect against lawsuits
  – Implications of added owner
  – Removing owner involves court action
Beneficiary

• The beneficiary is the person or legal entity that receives assets or benefits as part of the will

• A Beneficiary Form attached to a financial instrument overrides a will

• Beneficiaries should be sure to update all forms with the
  – Change in marital status
  – Birth of children
  – Death of beneficiaries
Probate

• Probate is the legal process of transferring property from the deceased to their beneficiaries

• Probate proceedings are supervised by the court

• All debts and claims must be settled before distributing property

• Probate required with or without a will
Executor

- The executor is the party recognized by the probate court to supervise the settlement of the estate

- Responsibilities include:
  - Collecting and inventorying the deceased’s properties or assets, including determining fair market value
  - Resolving any issues with creditors and paying administrative fees
  - Preparing and filing tax returns
Guardianship

• Parents should appoint caretakers/guardians for their minor children in their will

• In the absence of these instructions, the court will appoint a guardian
Why is a Will Important

A will stipulates:

• Who will get your assets when you die
• Who will decide how your assets are distributed
• What happens when an estate goes through probate
• Tax implications: inheritance and estate
Cost

Costs will vary depending on where you live and the complexity of your financial and family situation

- Simple Will (do-it-yourself): $20-$100
- Normal Will (by an attorney): several hundred dollars
- Health Care Proxy: $50-$300
- Power of Attorney: $50-$300
- Complex Estate Planning: $200-$500 per hour
## Pros & Cons of Various Options

<table>
<thead>
<tr>
<th>Pros</th>
<th>Cons</th>
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<tr>
<td>• Simple Will</td>
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<tr>
<td>– Fast, easy, low-cost</td>
<td>– High risk</td>
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<td>• Normal Will (by an attorney)</td>
<td>– Only suitable for the most uncomplicated estates</td>
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<td>– May provide protection from creditors</td>
<td>– May be expensive</td>
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<td>– Can limit future options</td>
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Resources

- Put It In Writing - www.putitinwriting.org
- American Academy of Family Physicians - www.aafp.org
- Family Doctor - www.familydoctor.org
- AARP - www.aarp.org
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