

# Your Will Is the Core of Estate Planning

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An estate plan is a legal system for the disposal of your property upon your death. It recognizes your wishes, such as those regarding the care of minors, and it legally minimizes taxes. It can take into account your views regarding future medical care; for example, it may state you have no wish to have your life sustained by a life support machine. Estate planning may or may not involve tax planning. The single most important document associated with estate planning is a will.

If you own property, there are basic questions which need to be answered upon your death. If these answers are not set out in the form of a will, then the courts have the right to decide what happens to your assets. The end result may well coincide with your wishes, but often it will not. If you have children, then you will need to make clear your wishes about their guardianship in the event of your untimely death. Who should inherit your personal belongings? Do you have any special bequests? Do you have anyone you wish to exclude from your will that would automatically inherit as a result of the law of succession?

If you die without a will you are said to die "intestate," and others have the right to say what happens to your assets. The value of your estate will be substantially reduced, as professionals such as accountants and lawyers will argue as to what the law of succession means.

Many people feel that they need to be old or wealthy to have a will. However, this is a misconception. How does anyone know when he or she will die? You may have wealth that you are not considering. Have you correctly evaluated the insurance and assurance policies that you hold? Perhaps you have intellectual property, for instance, copyrights. Or you may have latent wealth bequeathed to you in another person's will. You need to consider all your assets whether you are young or old, wealthy or not.

The earlier in life that you make a will, the easier it is for you to review and change your plans. As your life evolves, the expectations change for the different stages of your life. Death for the survivors is a traumatic, emotional experience, but a will makes it easier to cope. Wills are a valid legal document, but they are not written in stone. Circumstances change during the course of your life, and a codicil can be added to a will to reflect your changes.

Once you have your will, it is possible to make decisions regarding other matters, in particular, trust funds, taxes, and the costs of probate. Probate oversees the transfer of your assets. Probate is the legal process of proving a will, appointing an executor, and settling your estate according to your wishes; but by custom, it has come to be understood as the legal process whereby a dead person's estate is administered and distributed. Probate costs and taxes can diminish the assets passed on to your beneficiaries. You may want to consider setting up trusts to minimize your probate costs and tax liabilities in order to maximize your bequeathed assets. Trusts can avoid probate, but they also can be used as an instrument to transfer assets while you are still alive.

Whether you want just a simple will or a will, codicils, and trusts, the time to plan the disposal of your estate is now. It is a mistake to delay your estate planning in this uncertain world. Take care of your planning now to assert and safeguard your own decisions about your assets.

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