STOTT, HOLLOWELL, WINDHAM & STANCIL, PLLC
ATTORNEYS AT LAW

A Beginner's Guide to the Most Useful Estate Planning Tools

Maybe you've recently gotten married or had your first child and estate planning has just popped up on your radar for the first time. Or maybe it has been in the back of your mind for years and you've been putting it off because it stresses you out, but you've finally decided to make moves to give your family the security they need for the future. Either way, you're like many of our clients. You're new to estate planning. That means you're also new to the language and the tools that go along with it. And that's okay! At Stott, Hollowell, Windham & Stancil, PLLC, we care not only about helping our clients craft the strongest possible estate plans, but also about educating them so that they can make informed decisions and feel confident and secure about the plan we create together.

In this guide we're going to look at some of the most useful estate planning tools and explain how they can help you provide security for yourself as you age and for your loved ones after you are gone. Remember, every person and family has unique needs and the tools that are right for your friend's estate plan might not be the tools that are right for yours. An estate planning attorney can help you figure out which of these tools you do and don't need. Let's get started!

Wills

The will, or the "Last Will and Testament," is generally the estate planning tool that people are most familiar with. There's a common misconception that estate planning *only* consists of writing a will, but for the vast majority of people that's not the case. A will is a great start, but it's certainly not enough to protect significant assets and it won't help you make arrangements for situations in which you may be incapacitated but still alive. So let's look at what a will *can* do.

A will expresses your wishes about how your property should be distributed among your loved ones after you pass away. It also states who will be responsible for the care of your minor children. If you pass away without a will, your assets will be distributed among your family members in accordance with state intestate succession laws.

Trusts

A trust is a legal and financial relationship between you (the trustor), a trusted individual (the trustee), and a person or group to which you want to leave a sum of money (the beneficiary). There are different types of trusts, but this is the core structure. Trusts can be useful for a myriad of reasons. If you have a special needs child or another loved one who is unable to manage assets on his or her own, but you still need to make sure they have access to the money they need, a trust can be the perfect solution. They can also be useful if you want to set aside money for specific purposes such as education. As an added benefit, assets in a trust are protected from probate and certain taxes.

Powers of Attorney

Powers of attorney are documents through which you can authorize another person (referred to as your agent or attorney-in-fact) to make financial or healthcare decisions on your behalf. Durable powers of attorney can be used even when you are incapacitated. If your power of attorney is not durable it would cease to be valid when you became incapacitated and would only be able to be used for situations such as allowing someone else to perform financial tasks (selling your house, for example) while you are unavailable due to travel abroad or something of that nature.

There are different types of powers of attorney beyond just durable and not durable. You can also choose to create a power of attorney that only allows the agent to make your healthcare decisions or one that only allows the agent to make your financial decisions.

Living Will or Advance Directive

Estate planning isn't just about making arrangements for after you die. It can also be used to make sure your wishes are respected when you're still living but for some reason unable to express what you want. Do you want to be kept alive by machines if you can't breathe on your own? Do you want doctors to attempt to resuscitate you if your heart stops beating? Do you have preferences about how you should be cared for if you develop dementia or Alzheimer's? A living will is the place to make all these preferences known.

Keep in mind that living wills aren't just for the elderly. What if you were in a car accident and entered into a coma? If you have strong feelings about what you would want to have happen in this scenario, you need a living will no matter your age.

Business Succession Plan

If you are a business owner, you should also have a business succession plan in place as part of your estate plan. Would a colleague take over your role in the company? Would a partner buy out your share of the business? Would your spouse and children be able to benefit from your business's continued profit? Does your business rely on you uniquely, and if so who would oversee its liquidation? These are all questions that should be addressed in a business succession plan.

I'm ready to start my estate plan. How do I get started?

If you're ready to put a plan and place to protect yourself, your assets, and your loved ones in the future, you need to sit down with an experienced estate planning attorney. The Stott, Hollowell, Windham & Stancil team is here to help. Our experienced attorneys can help you craft a plan that fits your unique needs and circumstances, using the tools above and many more.

Whether you are ready to create an estate plan with us or you just have some questions about the estate planning tools in this guide, we encourage you to reach out and connect with our team. You can reach us by phone at (704) 827-3941 or through the contact page of our website. We can't wait to hear from you!