

"Expect the best, plan for the worst, and prepare to be surprised." Denis Waitley

## What is Estate Planning?

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At its core, the estate planning process is three fold. It involves:

- 1) Planning for the management of an individual's assets and business interests during their lifetime;
- 2) Planning for healthcare decisions in the event of the individual's incapacity; and
- 3) Planning for the distribution of the individual's assets, including business succession planning, upon their death.

While some of the topics associated with estate planning may be difficult to discuss, the failure to engage in estate planning discussions will result in confusion and unnecessary expenses for the family members.

### Is Estate Planning only about Tax Planning?

Tax planning is an important part of estate planning and proper estate planning can provide significant tax savings. However, tax planning is not the only reason to engage in estate planning. In fact, for most people, tax planning will be just one part of their estate planning objectives.

### Non-Tax Reasons for Estate Planning

Several non-tax reasons to engage in estate planning include:

- 1) Establishing testamentary wishes;
- 2) Avoiding family member infighting;
- 3) Appointing the appropriate person(s) to make healthcare and financial decisions;
- 4) Protecting loved ones from creditors;
- 5) Insuring loved ones are the beneficiaries of your estate when dealing with blended families;

- 6) Establishing a business succession plan;
- 7) Promoting financial security for loved ones;
- 8) Planning for charitable giving;
- 9) Creating a legacy; and
- 10) Eliminating uncertainty.

### The Core Estate Planning Documents

While the reasons for engaging in estate planning are as diverse as the people for whom estate plans are created, most estate plans will include the implementation of the "Core Estate Planning Documents" (CEPD). It is important to understand that while the implementation of the CEPD will effectively handle the majority of estate planning needs, additional estate planning documents may be required in certain situations. For example, individuals desirous of engaging in certain tax minimization or asset protection strategies will generally require the utilization of additional legal documents. While complex tax and asset protection planning is outside the scope of this article, it is important to note that the CEPD act as the foundation for all advanced planning strategies.

The following is a list of the Core Estate Planning Documents that every estate plan should include:

- 1) "Pour Over" Will;
- 2) Revocable Trust;
- 3) Healthcare Power of Attorney;
- 4) Business Power of Attorney;
- 5) Living Will;
- 6) HIPAA Release;
- 7) Limited Liability Entities; and
- 8) Marital Agreements.

The author, Scott F. Burns, Esq., is an attorney licensed to practice law in the State of Arizona.

For Additional Information, Contact:  
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