HEALTH. WEALTH. WISDOM.

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Understanding Basic Estate Planning Documents

Although none of us enjoy thinking about our own demise, we need to prepare financially for what will happen to our money and cherished belongings after we are gone. Unfortunately, not many of us do that. In fact, according to a Caring.com survey, only 4 of 10 American adults even have a will.

If you are among those who haven't gotten around to doing some estate planning, let's review why having a plan is such an important piece of your financial puzzle. A well-thought-out estate plan can help:

- Provide financial security for your family and loved ones
- Ensure that your property will be preserved and passed on to beneficiaries according to your wishes
- Mitigate or avoid disputes among family members
- Minimize estate taxes and other administrative costs to your beneficiaries
- Ensure competent management of your property in the event of your incapacity
- Enable you to provide for a charity that is near and dear to your heart

Now, let's look at some integral documents that you can implement and cross off your estate planning checklist:

Durable power of attorney (POA). This document allows you to authorize someone, called an agent, to handle your financial matters if you become incapacitated. Without a durable POA, your family members would have to institute legal proceedings and request that the court appoint a guardian to carry out these responsibilities. By addressing the possibility of incapacity in advance through a durable POA, you and your family can avoid the expense and potential hassle of having a court-appointed guardian.

Health care documents. A *heath care POA* authorizes an agent of your choosing to handle your health care decisions the way you want if you become incapacitated. It gives the agent permission to direct health care providers to continue or not continue life support, nutrition, hydration, and more, and to make general health care decisions that may arise.

Some states also authorize a secondary health care document, typically called a *living will*. It works in conjunction with a health care POA and permits your agent to direct health care providers to carry out your wishes should there be no reasonable hope of your recovery. A living will also serves an important function when your agent or other individuals named in your health care POA cannot decide on your behalf regarding whether to continue life-sustaining treatment.

Will. A will allows you to direct who will receive your property upon your death and under what circumstances. It also enables you to direct the payment of estate administration expenses and taxes and to nominate an executor—an individual whose main duty is to carry out your wishes and instructions—to handle these matters. Even more important, it allows you to designate a guardian for your minor children.

Trust. With a trust, you can plan for the management of assets after your death and during your lifetime if you become incapacitated. A trust can also help minimize federal or state estate taxes.

Trusts come in two general forms: *testamentary trusts*, which are funded at death, and *living trusts*, which are funded during your lifetime. Generally revocable, a living trust is the centerpiece of a well-rounded estate plan. When a living trust is established, the process of distributing assets at the time of death will not be subject to the jurisdiction and oversight of the probate court.

Estate planning can be a daunting task. But it can be made easier if you consult a professional who is familiar with the process. Your financial advisor can coordinate efforts with your attorney and tax preparer in creating an estate plan that suits your purposes and that helps achieve your financial and personal goals.

Naming a Beneficiary: What You Need to Know

Designating a beneficiary or beneficiaries is among the most important estate planning tasks an individual can make. Here are some important factors to consider when selecting who or what (e.g., an entity) will receive the assets in your accounts when you pass away:

Don't leave a beneficiary form blank, and don't name your estate as beneficiary. When establishing your account, failing to name an individual, or individuals, as your beneficiary could deprive your heirs or loved ones of inheriting your hard-earned retirement assets. Moreover, if you don't name a beneficiary, your retirement assets will have to go through the lengthy probate process and could be subject to creditors.

Make a beneficiary designation for each retirement account you own. People often assume that the beneficiary they name on one account will dictate who the beneficiary is on their other retirement accounts. That is not the case. You need to have a valid beneficiary on file for *each account*.

Beneficiary designations take precedence over wills. Retirement assets are distributed according to the named beneficiary, regardless of any other signed agreement such as a will.

Keep your beneficiary designations current. Many people fail to update their beneficiary designations after major life events, such as a marriage, divorce, or new addition to the family. Make a habit of reviewing your beneficiary information annually—whether you have experienced a life event or not.

Consider consulting a professional. You may wish to seek the guidance of an experienced attorney, CPA, or financial advisor to help you make the best beneficiary choices for you and your heirs.

Stand Up for Yourself!

There are few things worse than feeling sore, lethargic, or sluggish at the office! But did you know that you can boost your productivity and fight off fatigue by standing up and stretching periodically throughout the workday?

According to research from the Texas A&M Health Science Center School of Public Health, taking a break at the office to stand up has numerous benefits. It can help you burn calories, fight the effects of obesity, increase attention, and improve cognitive functioning. Standing up or stretching can also help alleviate back, neck, and shoulder pain.

Here are some ways to incorporate standing and moving into your office routine and reverse the effects of a sedentary workday:

Use a smart watch to remind you to stand up at least once an hour. We've all been "in the zone" at work, only to look up at the clock and notice that several hours have passed since we last budged. Most smart watches (e.g., Fitbit or Apple Watch) have built-in reminders that encourage wearers to stand after they've been sitting for too long. Taking a minute or two each hour to get your blood flowing can refresh your body and mind.

Change to a stand-capable workstation. These convertible desks allow you to work from a standing or sitting position. Recently published research has found that 47 percent of people who used height-adjustable desks over the course of one year enjoyed a significant reduction in upper back, shoulder, or neck discomfort.

You might also want to consider taking things a "step" further and get a treadmill desk. It's a treadmill that is positioned under a work surface and enables you to walk and work at the same time!

Use a wireless headset. If you wear one of these headsets instead of being tethered to your desk by a phone cord, you can get up and move around freely while you carry on a conversation.

Stretch it out. Depending on the nature of your job, it may not be feasible to stand up. If that's the case, do some easy sitting stretches that you can perform from the comfort of your office chair.

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