

Estate Planning During a Pandemic: Steps to Take

The coronavirus pandemic has certainly caused havoc and concern for many people, particularly in regard to their health and their finances – and these two areas intersect in estate planning. So, if you haven't drawn up your estate plans yet, or you think they may need to be revised, now may be a good time to act.

This suggestion is not strictly based on issues of morbidity – after all, the vast majority of people who contract COVID-19 will survive. However, even if you never become ill or need to be hospitalized, wouldn't you be glad to know your affairs are in order? If you already have estate plans, you may need to revisit them if your family situation has changed because of marriage, divorce, remarriage, new children, new financial goals, and so on.

Of course, estate planning can be complex, so there's not a "one size fits all" approach. Nonetheless, here are some of the most commonly used documents and arrangements:

Financial power of attorney – A financial power of attorney is a legal document that gives someone the authority to conduct your financial affairs – pay bills, write checks, make deposits, sell or purchase assets – if you were unable to do so yourself. You can establish the financial power of attorney without giving your representative any ownership in your assets.

Last will and testament – With a last will and testament, you can choose how you want your assets distributed, appoint an executor to oversee the distribution and name a guardian to take care of minor children. If you don't have a will, a court might assume these functions, with results you might not have wanted.

Living trust – A living trust allows you to leave assets to your heirs without going through the time-consuming, public and often expensive probate process. Also, a living trust gives you significant flexibility

in dispersing your estate. You can direct your trust to pass your assets to your beneficiaries immediately upon your death or to distribute the assets over time and in amounts you specify.

Health care surrogate – A health care surrogate, sometimes known as a health care proxy or health care power of attorney, is a legal document that appoints a person to act for you if you become incapacitated. Your surrogate has the authority to talk to your doctors, manage your medical care, and make medical decisions for you if you cannot do so.

Living Will – A living will, also known as an advance health care directive, lets you specify what end-of-life treatment you do or don't want to receive if you become terminally ill or permanently unconscious.

All these estate planning tools can be complex, so before taking action, you'll need to consult with an attorney and possibly your tax and financial advisors, too.

However, during a pandemic, you may encounter a special challenge: Documents such as wills and powers of attorney typically need to be notarized and witnessed – and that may be difficult during a time of social distancing and self-imposed quarantines. But this problem may be solvable because many states have now enacted executive orders or passed laws that permit "virtual" notarization and witnessing of legal documents.

In any case, if the coronavirus pandemic has raised your concerns about the legacy you'd like to leave, take the time now to launch or update your estate plans – you'll be glad you did.

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