

Creating an estate plan

It's never too early to start planning your legacy. Take time to consider the following factors when you create an estate plan with a qualified attorney.

Account registration

You should properly register your investment accounts by listing the correct individual(s) as the owner(s) of each account. Make sure all names are spelled correctly. If you have a living trust, you should generally register the accounts into the name of the trust.

Will

A will describes how your assets will be divided and distributed at your death. This document also names the person(s) who will manage your estate after your passing.

It is important to note that a will governs the disposition of assets held in your individual name only. It does not govern assets held as joint tenants (meaning each owner has a right of survivorship if another owner dies), those that designate a beneficiary or those held within a revocable trust. However, a will can help ensure your individually owned assets transfer at your death as you intended.

Living trust

Often you can use a will in conjunction with a living trust. You can create this trust during your lifetime for your own benefit. At your death, the assets in a trust will generally be distributed under a will, but without the high degree of court involvement.

You may want to consider establishing a living trust if you want to:

- Avoid the costs and formal requirements of the probate process
- Protect your and your family's privacy from the public aspects of the probate process
- Protect assets should you become incapacitated or eventually need help managing your financial affairs

Beneficiary designation

Assets that designate a beneficiary, such as life insurance policies or retirement assets, will pass automatically to the designated beneficiary at your death, regardless of the terms of your will or living trust. As a result, take time to review these designations to help make sure they are consistent with your overall estate plan and personal goals.

Durable power of attorney

With a durable power of attorney, you designate an individual to make financial decisions on your behalf with respect to your individually owned assets. The power of attorney may be broad, or you may limit the powers you grant to such an individual.

This document also provides incapacity protection should you become disabled. Please note, however, that assets transferred to your living trust are generally not governed by the power of attorney. Instead, your trustees will have decision-making authority for those assets.

Health care directive/living will/power of attorney for health care

With these documents, you name your health care agents to act on your behalf for medical treatment decisions if you're unable to act for yourself. These documents also express your specific wishes about the administration of life-prolonging procedures when you can't communicate them.

Edward Jones, its employees and financial advisors are not estate planners and do not provide tax or legal advice. Please consult a qualified tax professional or an attorney for advice regarding your situation.