

GETTING YOUR AFFAIRS IN ORDER

10 STEPS FOR CREATING A SMART END-OF-LIFE PLAN



End-of-life planning sounds like something you do towards the end of your life. But the reality is, no one knows what tomorrow will bring. If the worst were to happen, you wouldn't want your family to be burdened with financial, legal and logistical problems. These 10 steps will help you get your affairs in order.

- 1. Have a will and update it periodically.** The will designates executors, guardians and trustees. Your executor's first task is to locate your will. To facilitate that, put the original in an envelope with your name and "Will" written on it. Then place the envelope in a fireproof metal box, file cabinet or home safe.
- 2. Have a health care directive (living will).** A living will is a medical directive written in advance that sets forth your preference for treatment in the event of your inability to direct care. The document may be drafted to include when the directive should be initiated and who has the decision-making responsibility to withdraw or withhold treatment.
- 3. Have powers of attorney.** The person you select as your financial and/or healthcare power of attorney should be your spouse or close friend or relative. Whoever you designate will be authorized to manage your affairs, typically financial ones, if you're not able to handle them yourself.
- 4. Have life insurance.** Having the right amount of life insurance coverage will help ensure that the dreams you have for your family will be realized even if you're not there. Determining how much to buy can be complicated, so it's important to seek assistance from an insurance professional.
- 5. Review beneficiary designations** for your various financial accounts, including group and individual benefits like life insurance and 401(k)s. Check annually to ensure those named in your insurance policies and retirement plans are still relevant to your needs and wishes. Many people think that if they have a will, they are covered. However, beneficiaries designated in documents generally fall outside the scope of a will, so it is critical that you keep your policies and records updated.
- 6. Specify where important financial account information is located.** It may sound like an obvious thing to do, but few people keep a list of where important records pertaining to their savings, retirement plans, college-funding plans, mortgage, and insurance reside. Keep a master list and review it annually.
- 7. Specify where important non-financial information and valuables are located** such as marriage certificates, birth certificates, titles/deeds for the house/cars, passports, jewelry, safe deposit box key, items in storage facilities, etc.

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8. Specify your final arrangements such as burial or cremation, where you want to be buried, whether you want to be an organ donor, etc.

9. Have a list of professionals who assist you with your family's legal and financial affairs (insurance professional, attorney, accountant, etc.).

10. Explain to heirs how your trust works. Trusts are often a useful legal and estate-planning device for protecting assets from estate taxes and providing a vehicle to be sure survivors get proper administrative and investment advice and counsel. An attorney is the best source of information about the proper use of trusts and whether one would be appropriate for you.

To get a sense of your “end-of-life” needs, talk to your financial advisor. He/she can make sure you have the plans in place that you need to get your affairs in order.

Information for this article was provided by Life Happens, a nonprofit organization dedicated to helping consumers make smart insurance decisions to safeguard their families' financial futures:

www.lifehappens.org.

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Smart Money Advisors

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