00:00:04:21 - 00:00:38:00

Speaker #1

Hello, everyone, and welcome back to this episode. We'll be diving into crucial topics regarding wills, health care, proxies and power of attorneys. These legal tools are essential for planning your future and ensuring that your wishes are met. We'll break each of these documents down further to explain why they are important and how they can protect you and your loved ones. Whether you're just starting to think about estate planning or you're looking to update your existing documents, this episode will provide you with the knowledge you need to make the informed decisions. But before we get into the specifics, Lyndsey, why don't you read our disclaimer?

Speaker #2

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This podcast is being recorded on October 4th, 2024. The contents of this podcast are strictly for informational purposes only and nothing that should be taken as investment tax or legal advice. It is important to discuss your situation with a professional as the strategies discussed may not be suitable for you specifically. So as we dive into this topic today, Leyah, what is an estate plan and who really needs one?

Speaker #1

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So an estate plan is a crucial part of your overall financial plan. It's really important to work with a knowledgeable professional to achieve those wishes that I mentioned before. That's the ultimate goal. Regarding who needs an estate plan, I would say everyone, no matter if you've just turned 18 and you're looking to go into college, it's something that you should get established early.

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Speaker #2

So, Leyah, what makes up a well designed estate plan?

Speaker #1

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So we're going to get into this a little bit further but as I mentioned before, there's your will, your power of attorney and your health care proxy. There might also be a few more documents that are specific to your state so it's important to look into those. So as we get started, the first thing that we're going to discuss is wills. So, Lyndsey, why don't you tell us a little bit more.

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Speaker #2

A Will is a legal document that outlines how you want your assets distributed after your death. It's not for just the wealthy. It's for everyone, whether you're graduated and in the workforce, younger or whether you're in retirement and have no children, you always want to have a will in place to show where your personal assets are going after that and you have your wishes aligned you'll want to designate guardians if you have minor children or specify who gets your belongings, even your pets. It's a powerful way to ensure your legacy is handled according to your desires.

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Speaker #1

Keep in mind that without a will, the state decides what you get, so your wishes might not be met.

So now we're going to dive in further. A will is a fundamental part of estate planning. Here are some key points to consider, especially for women. Starting off the purpose of a will. It specifies how your assets will be distributed after your death. As we mentioned before, this could include any money, property or personal belongings that you might have. Women often manage household finances and may have specific wishes for how they would like them distributed. Also, as Lyndsey mentioned, if you do have minor children, a Will will allow you to designate guardians for them. This is crucial, especially for any single women or primary caregivers.

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Speaker #2

You can appoint an executor to manage your estate, ensuring that your wishes are thought out thoroughly. This can be someone who understands your values and what your priorities are. It could be your children, a relative that's close to you if you don't have children, or be sure to speak with your financial advisor at any third parties out there that could be in the executor role. This is a very important role to think out thoroughly when planning your estate plan. Other things like specific bequests, you can leave certain items and amount of money to individuals or organizations. Charitable giving is something to consider in here and also considering any other sentimental items or family heirlooms you'll want to pass down.

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Speaker #1

Once you have your specific bequest passed down and your debts are paid, you'll also want to think of anything that might be left over with the estate. It's important to specify how you might like these items divvied up at the end. Also, keep in mind that it's important to continuously update this as you go through major life events such as marriages, maybe a divorce, birth of children, these significant changes will impact your financial plans. So make sure you consult with a professional to take a look at your estate plan.

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Speaker #2

It is important to mention that things like bank accounts, IRAs, 401K’s or any other type of investment vehicle can have beneficiaries name to them. This means that they did not go through your well. You can go to the bank and set this up with someone or talk to your financial advisor to ensure that this is in place. Now let's talk a little bit about health care proxies.

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Speaker #1

So a health care proxy document is one that allows you to appoint someone to make medical decisions on your behalf if you're unable to do so. As Lyndsey mentioned previously with the Wills, these are really important financial documents. So you'll want to make sure that you're choosing someone that you trust to make these decisions for you. It's especially important for women as we often take on caregiving roles. I need to ensure sometimes that our own care is going to be taken care of and met to our wishes. A health care proxy ensures that your medical treatment aligns with your values and your wishes. It's crucial to discuss these preferences with your chosen proxy and provide them with a copy of the document once finished.

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Speaker #2

The scope of the health care proxy is to make decisions about medical treatments, surgeries and other procedures that may come your way. Be sure to be open and communicate with the person that you elect in this position, right Leyah?

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Speaker #1

Exactly. It's important to discuss your medical preferences with your proxy that you've chosen. Make sure that they understand and value your wishes. Also, make sure that you're updating them on any irregular changes that you might be making and give them a most recent copy of your health care proxy. Also, make sure that you look in the state that you are in with what their specific requirements are for health care proxy. These might vary and you want to make sure that your documents are complying with any state or local laws. So the last document that we will be discussing, that is in your estate plan is a power of attorney. So, Lyndsey, what exactly is a power of attorney?

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Speaker #2

This document grants someone the authority to handle your financial and legal matters if you become incapacitated. It's a safeguard to ensure that your affairs are still being managed smoothly. A power of attorney can be a broad or limited, depending on what your needs are. It's important to choose someone you trust very truly, as they have significant control over your finances, legal decisions and well-being.

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Speaker #1

There are many types of powers of attorneys, so it's important to consult with an estate planning professional that is well versed in this area to make sure that the power of attorney that you're choosing is specific to your situation. As we've mentioned before, it's essential of choosing the right person to be your power of attorney and having a power of attorney in place so carefully Consider this.

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Speaker #2

Yeah, make sure you choose someone that is trustworthy and reliable. Ask questions and provide a list of questions when considering selecting a certain agent. This could be their willingness to act. Understanding their responsibilities and ability to handle stress.

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Speaker #1

So how exactly does one create a power of attorney? First, you would want to begin with outlining what you want for your power of attorney. Oftentimes, you can work with financial advisors to get this process started and then go to the estate planning attorney, make sure that you're consulting the attorney for their expertise in this area. They will draft the document and help you get it notarized. Make sure you're taking into consideration any state specific requirements that might be.

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Speaker #2

It's often beneficial when consulting with an attorney on these documents to ensure that they're legally bound and up to date with your specific wishes.

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Speaker #1

Once you have these documents created and finalized, you'll want to make sure that you're storing them in a safe place and that you're informing your trusted individuals where these documents are located. Also, make sure that you're discussing with your family members and anyone that you've chosen to appoint in those specific documents that they understand their roles and responsibilities that you have laid out for them.

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Speaker #2

Another tip to take away is if you ever do move to another state, make sure you reach out to your financial advisor or a new attorney, as new powers of attorney and health care directives will need to be drawn up state by state. You'll also want to have your attorney re-look over your well to make sure that it applies with the new states laws that you are currently living in.

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Speaker #1

Now, as we wrap up, a reminder to our listeners, these documents are not just legal formalities. They're tools to protect your future and provide peace of mind. Take the time to create them and discuss your wishes with your loved ones.

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Speaker #2

We hope you enjoyed this episode that was packed with a lot of information regarding your financial future. Be sure to check back for more episodes to come. And as always.

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Speaker #1

Don't forget.

00:09:09:15 - 00:09:10:27

Speaker #1 & #2

Share the wealth.

Speaker #1 – Leyah Dauber

Speaker #2 – Lyndsey Payne