

May 2015

Estate Planning 101: Why Put Your Wishes in Writing

The scenario plays out all too often, with people and families just like yours: The unexpected — injury, illness, even death — strikes, leaving major decisions about the stricken person's health, children and financial assets in the hands of the probate court rather than someone the person might have chosen himself or herself to make those decisions.

The best way to avoid the unpleasant limbo, legal red tape and uncertainty that often accompany such a scenario, and to be sure your wishes are carried out, is to put in place an estate plan. In a nutshell, "an estate plan is a written and legally enforceable expression of a person's wishes for what will happen with their property and their rights should they become incapacitated and when they die," explains Michael D. Whitty, CFP® and estate planning attorney with Vedder Price PC in Chicago, Ill.

Estate plans aren't just for the wealthy. In fact, said Whitty, "just about everyone needs some sort of [estate] plan." That includes anyone who:

- has minor children or other dependents (such as aging parents);
- wants to leave a legacy by passing assets to heirs, charitable organizations, schools, etc.;
- owns all or part of a business;
- wants end-of-life decisions and other healthcare / medical treatment decisions carried out according to their own wishes;
- wants to maximize the amount of money and assets that transfers to loved ones instead of the tax collector; and
- wants to minimize the hassles loved ones face in the wake of incapacitation or death.



What goes into an estate plan? Essentially, it's a set of documents that together spell out "who gets what, how and when they get it, and who's in charge," Whitty said. More specifically, the basic elements of an estate plan include:

- A **Will**, a legal document detailing a person's assets and how they are to be handled after his or her death, along with specifics on who will serve as guardian(s) for dependent children should the person (and/or their spouse) die. The executor is the party charged with ensuring that terms of the will are met. While people often — and rightfully — choose their spouse as executor, certain situations, such as a blended family, might dictate naming a third party, such as a trusted professional adviser, as co-executor, according to Whitty.
- **Powers of Attorney** for health care as well as for property. **Health Care Power of Attorney** is a person you designate as proxy/agent/surrogate to make health care/medical decisions for you if you lose (temporarily or permanently) the ability to make decisions yourself. An **Advanced Health Care Directive** (or living will) includes instructions to guide the healthcare proxy and healthcare providers with end-of-life decisions, etc. Similarly, a **Power of Attorney for Property** is a person you name "to handle financial decisions and transactions for you if you are unavailable or incapacitated," explains Whitty.
- **Trusts**, such as a revocable living trust, make sense for people who want to keep assets (such as real estate holdings) out of probate, so they're free to transfer directly to their beneficiaries. There are a range of other types of trusts, some of them fairly complex, that, when structured properly, can provide tax benefits.

What's at risk for people who don't have an estate plan? Plenty, according to Whitty. For one, a person who hasn't specified powers of attorney risks putting their financial and/or healthcare decisions — even while they're alive — in the hands of a court-appointed guardian. Without a will, meanwhile, responsibility for deciding how assets are handled falls to a state probate judge. These court-appointed officials are likely to know a lot less about your intentions than you do. And as Whitty points out, "the probate process can be extremely complicated and expensive" in many states — in other words, worth avoiding.

Another thing to avoid, according to Whitty: online services for obtaining a will and other estate planning documents. Spend the extra money to work directly with an estate planning attorney, he recommends, lest you end up with documents that are less than complete and less than legally airtight.

For basic information about estate planning, he suggests visiting the American Bar Association's estate planning page at www.americanbar.org/groups/real_property_trust_estate/resources/estate_planning.html. Make sure you find an individual who is an expert in the state you reside. To find an estate planning attorney in your area, visit the ABA's findlegalhelp.org.

Financial Planning Association (FPA) ©2015

Where to Turn for Mental Health



It's normal to feel stressed or anxious now and then. But it's time to call for help if emotional issues interfere with your life, your job, or your personal relationships.

"With all the mental health resources and effective treatments available these days, there's no reason to suffer and wonder what's wrong," says Michelle Pruett, M.S.W., public information manager for the National Mental Health Association in Alexandria, Va.

Education and awareness have done much to erase the stigma once attached to mental illness. Still, many people don't seek help for mental health needs.

"Instead of worrying about what other people might think, pick up the phone," urges Ms. Pruett. "The truth is that mental conditions are real and can be life-threatening, but they're also common and very treatable."

How do you know you need help? "As with many physical conditions, change is the key," says Ms. Pruett. "If you have a marked change in personality, mood, or your eating or sleeping habits, that's a sign something is going on."

Other warning signs include:

- Feeling unable to cope with your day-to-day problems, work assignments or usual household activities.
- Having extreme mood swings — from high or hyper to down in the dumps.
- Abusing alcohol or drugs.
- Getting very angry or acting violently.
- Having thoughts about suicide or hurting someone else.
- Having a plan of how you would commit suicide.

If you experience any of these symptoms, "it's better to get treatment sooner than later," says Ms. Pruett. "These are warning signs that you definitely need help."

Make the call

"Get help right away any time you believe you might hurt yourself or someone else," says Ms. Pruett. Call 800-SUICIDE (800-784-2433) or your local crisis center. Or look in the blue (government) pages of your local phone book for the numbers of emergency mental health treatment facilities near you.

The National Mental Health Association offers information about mental health conditions and issues, as well as referrals to local resources.

Other resources you can call on are:

- Your family or primary-care physician. Your personal doctor knows you and probably will notice any changes in your mood or personality. The doctor can also rule out possible physical reasons for your symptoms.
- Employee assistance programs. If your company has an EAP, ask for a referral to an appropriate provider or treatment program in your community.
- Community mental health centers. These organizations provide counseling and other services on a sliding-fee scale, based on your income.
- Crisis centers. On-site mental health professionals provide immediate evaluation and treatment.
- Support and self-help groups.
- American Psychiatric Association . Psychiatrists can provide counseling and prescribe medication.
- American Psychological Association . Psychologists have doctorates and specialize in psychotherapy and human behavior.

Help others

Along these lines, Ms. Pruett adds, "If you notice someone has experienced a change in personality or notice any other warning signs, find out what you can do to help the person. You could be saving a life."

Krames Staywell

Money-Saving Tips That Work Wherever You're Traveling



Want to know how to find great deals on accommodations and travel by air, boat, car, etc.? Want tips for **living large on a small budget**? Want the secrets to **staying a step ahead of the tourist hordes** and to **avoid paying tourist prices**? Ready to make your next trip not just truly memorable, but truly money-saving? Here, just in time for the summer travel season, are some tips from Marta Shen, CFP®.

BEFORE YOU GO:

- **Research and plan well in advance.** Plan trips at least several months in advance to allow plenty of time for research. This helps if you are going to use [frequent flyer] miles or [credit card] points for the trip. For ideas and guidance read travel books extensively (like *Frommer's*, *Rick Steves'* and *DK Eyewitness Travel* guides) as well as online reviews on websites.
- **Draw up a travel budget.** Once you have a good idea of your itinerary, figure out how much you want to spend and establish a line-item budget of expenses that includes transport, accommodation, meals, sightseeing, etc. "Travel expenses are one thing people tend to underestimate," said Shen. "This way you have it all in front of you, so you can plan accordingly."
- **Have an open mind — and an open calendar.** Traveling during off-peak times of the year (out of summer for beach destinations), the week (air travel mid-week) and the day (red-eye flights) often brings the best deals. Look into a potentially much less expensive "open-jaw ticket," which allows you to fly into one city and out of another.
- **Pick a points or miles plan wisely — and use it.** Choose a plan that's less restrictive with how and when you use miles/points (such as one that doesn't revoke points), that aligns best with your spending/usage habits (those with which you're likeliest to accrue points/miles and that have relationships with your preferred travel providers), and that's flexible.
- **Use consolidators for finding deals on travel and accommodations...** Consolidators that handle multiple providers tend to offer the best deals.
- **...but don't forget to consider airlines and other providers that aren't available through consolidators.** Sometimes the best deals come by going directly to the source.
- **Be your own tour guide.** Putting together your own itineraries will give you more freedom, efficiency and cost savings compared to joining organized tours.

ONCE YOU'RE THERE:

- **Use public transport.** The local bus/metro system isn't just the least expensive way to get around a city, it provides visitors with the best taste of the local community. Look for multi-day passes for maximum savings.
- **Travel on foot.** It's a great way to get to know a place, its neighborhoods and its people, while saving money and getting some exercise.
- **Your new motto: *If it's free, it's me.*** Taking advantage of free hotel shuttles, free WiFi access, free hotel breakfasts, free museum days and the like can provide substantial savings.
- **Leave the tourist track behind.** Meals, goods and services tend to cost less in places that don't cater to tourists.
- **Ask locals for advice.** They're not only good for directions if you're lost, they often know where to find the best deals, the best meals, the best services and the best stuff.
- **Eat creatively** — try places off the beaten tourist path, try street food vendors and if your accommodations have kitchen capabilities, eat in every so often.
- **Limit senseless souvenir buying.** If it's made in China, why buy it as a keepsake unless you're visiting China?

AND DON'T FORGET:

- **Dig for discounts.** Either in advance or once you arrive at your destination, learn about local discounts at places you intend to visit and services you intend to use, from discounted public transit passes to cut-rate museum admission packages to discounts for families, children and seniors. Check city/municipal, country/regional rail offices and tourist information websites during initial research and follow up once you arrive.
- **Party of four or more? Consider renting a vehicle.** Car rental can be cheaper than taking the train if your group has four or more. Compare the costs before booking your accommodations.

This column is provided by the Financial Planning Association® (FPA®), the leadership and advocacy organization connecting those who provide, support and benefit from professional financial planning. FPA is the community that fosters the value of financial planning and advances the financial planning profession and its members demonstrate and support a professional commitment to education and a client-centered financial planning process.

The Financial Planning Association is the owner of trademark, service mark and collective membership mark rights in: FPA, FPA/Logo and FINANCIAL PLANNING ASSOCIATION. The marks may not be used without written permission from the Financial Planning Association.

Financial Planning Association (FPA) ©2015