

Estate and legacy essentials: What key documents do I need?

By Executor's Resource, Inc.

All of us should be planning for our eventual – or sudden – passing. No death is expected, even if someone experiences a long illness. The shock of it is still there and there never seems to be enough time to prepare for it.

You might be flying overseas, taking a dangerous job or are to be deployed in harm's way if you are in the military.

That's why it's important to chip away at putting your estate and legacy in order. Everything you do will make it easier for your friends and family after you are gone. For example, who is in charge of your pets and what should be done with them? What about maintaining your residence? The refrigerator needs to be cleaned, trash taken out, the garden and lawn kept up, the newspaper subscription stopped.

First up, the bare minimum

Here's your estate and legacy organizer lite, the bare minimum for making the process a smooth one. It's important to note that the bare minimum covers three main areas - estate, financial and biographical related assets.

Estate catalog:

- ✓ **Will:** A legal document that specifies how an individual wants their assets and property to be managed and distributed after their death. Whether an attorney assists you or you use a web-based service, once created, this document needs to be where it can be found. Notify your executor of its whereabouts. Make an electronic copy and store it on your computer. By using a web-based tool like EstateLogic™, your executor can locate the documents at any time from anywhere in the world.
- ✓ **Living will:** This is a simple legal document giving instructions to others about such matters as artificially keeping you alive if you are very ill or in a coma. You can consult a professional to have a living will made for you, or you can make one on the Internet. The living will is only effective in the state that you reside. So if you choose the online option, make sure that you are downloading the forms that are appropriate for your state.
- ✓ **Power of attorney:** This document allows someone to act in your behalf and gives him the ability to sign documents, checks, etc. in your name. There are several types of powers of attorneys, some that are applicable immediately upon their creation and others that don't take effect until a specified condition, like incapacitation, occurs. Make sure that you think about which would work best given your situation.

Financial catalog: At the bare minimum, list the assets that you own or have interest in which have monetary value. Include life insurance, banking and retirement accounts, real estate and any personal property. Identify where you've kept the original deeds, titles, or proof of ownership documents. Next do the same for anything that you owe money for – including loans, credit cards, etc. Exact value is not what

is important here. It's more about what you're responsible with and how your executor will go about assuming that responsibility when you can't.

Biographical catalog: Who would you like your executor to notify of your passing? How should your obituary read? Who should it be sent to? Do you have funeral or burial preferences? Do you have items of sentimental value earmarked for someone special to you? What values or life advice would you like to pass to the next generation? What important family history items might you want to share? What were your defining moments in life? Make a top of mind list that covers the large issues. Some find it easiest to address the practical affairs first – as almost a warm up to the sentimental side.

Just remember that for as long as you are alive, you can change each and every one of these documents as changes in your life occur. Beginning with the larger issues associated with estate, financial and biographical assets will allow you to get a baseline of coverage from which you can add as time permits. Be creative – there are a number of ways to record your intentions. While you can certainly write them, consider alternatives, like creating an audio or video file. Your family will appreciate the personal touch.

Organizer II, The Next Level: Really making things better for you loved ones

Ready to achieve the next level of estate and legacy organization? In addition to the bare minimum, the following comprehensive list attempts to capture many of the commonly held items across the main categories of estate, financial, and biographical assets. You may find that you have others that are specific to your personal situation. A good rule of thumb – if you care what happens to it after you're gone – address it now.

- ✓ **Adoption papers** – These documents will be important in estate matters.
- ✓ **Accountant name and phone number** – Also may have your tax return information handy.
- ✓ **Bank accounts and numbers** – You can scan in the year-end statement as you go along. It will contain most of the information needed. Also note where hard copy checks are being stored, if applicable.
- ✓ **Beneficiary forms from retirement plans (401k, SEP, etc).** - These are especially important to locate if you'd like to minimize the interaction with probate court. Beneficiary transfers are not subject to probate court.
- ✓ **Birth certificate** – If you don't have it, you can order an official copy.
- ✓ **Brokerage account numbers, account website and passwords, broker contact info** – Most brokerage accounts have online account information that can be easily accessed.
- ✓ **Business and partnership contracts** – The executor will need to analyze all business holdings and may need to hire an attorney to settle any conflicts on business ownerships (i.e. business valuations and buyouts).
- ✓ **Computer/website/password** – This is mainly to close down any open online email services, subscriptions, PayPal accounts, online bank accounts and the like.
- ✓ **Loan documents, including mortgage, title, property records and consumer debt documents** – One of your executor's jobs is to settle all outstanding debts.
- ✓ **Divorce decree** – If the full decree is too much to scan, scan the pertinent sections and let your executor know where the complete document is stored.
- ✓ **Driver's license** – It is best to make a copy of it and scan it in the computer as well as identifying the location of the original.
- ✓ **Family Contacts** – List out the names and contact information of professionals who have assisted the family and who the executor will likely need to contact.

- ✓ **Family Tree and History Information** – List of location of any documentation on family history. If you've used family tree software or a web-based service, identify how to access it and any username and password information.
- ✓ **Health records** – Often there are unpaid health bills or other costs associated with a long illness that need to be settled. These records include your health insurance, or any personal health record that may include information important to future generations of your family. If you have minor children, take the responsibility now to organize their personal health records, including vaccination dates, doctors seen, and procedures performed.
- ✓ **Heirloom information** – List the location where important family items are stored. Be as specific as possible, and provide a photo of the item for additional reference.
- ✓ **Home alarm code and location of instructions** – It could be pretty embarrassing for your executor to trip off your alarm or not know how to work it should you not be around.
- ✓ **Home inventory document** - If you've created a list, have photos, or videos of the contents of your home.
- ✓ **Household instructions, including plants and gardens, food removal** – Consider writing instructions on whether to hire a gardener, how often the plants are watered, what to do with the utilities and hot water heater, and remind your executor to remove perishables from the house, among other things.
- ✓ **Insurance policy** – Make sure life and health insurance policies can be located along with any agent or company information.
- ✓ **Marriage license(s)** – Most have more than one, and claims might arise after death. If you don't have it, contact the county you were married in for an official copy.
- ✓ **Military discharge papers** – Will come into play if military benefits are due to your beneficiaries.
- ✓ **Organ donor** – In case you are a donor, without it your wishes will not be observed. Treatment of organ donor status varies by state, so check to see that you've formatted your desires in a way that is appropriate in the state where you reside.
- ✓ **Passport** – This may be hard to scan, but noting the location of the original is a great step in the right direction.
- ✓ **Pet records and instructions** – Pedigree or adoption papers that demonstrate proof of ownership are important to have, along with the most current vaccination records. Instructions for who should look after pets after you're gone are also very important. Otherwise Fido might be headed to the pound.
- ✓ **Safe deposit box number and key** – Some have one safe deposit box, others have many. Regardless of your situation, make sure you leave clear instructions as to where yours is and how the executor is to access it.
- ✓ **School records** - For minor children. Include report cards, enrollment forms, disciplinary reports, and other reports provided by the school.
- ✓ **Social Security Number and card** – Important for identification and benefit claims – not just your Social Security Number, but that of your beneficiaries, including minor children.
- ✓ **Subscriptions with automatic renewals, newspapers** – As referenced before, many subscriptions will automatically renew and cause creditor problems after an estate is settled.
- ✓ **Tax returns** – Important to be kept with loan records, insurance policies and other large documents, preferably in a safe or locked file cabinet, but make sure your executor knows where the key is or has the combination.
- ✓ **Trust documents** – If you have created a trust, regardless of type, your executor will need to be able to locate and access the governing documents.

Some set aside a specific time each month to work at assembling this information or do it in conjunction with bill-paying time. Others prefer a certain time of year, like tax time, in connection with spring cleaning, or the start of your children's school year. Choose whatever works for you. The important thing is that you make progress.

Once you have a solid start, communicate with your loved ones, especially your spouse or partner, who is often times the person who would be handling these details in the event of your passing, so that he or she has a good understanding of your intentions.

Resources:

Get Organized Now, by Melanie Cullen. Nolo.com. Lots of short tips and helpful links on what and how to get organized.

<http://nolo.com/article.cfm/catId/20CEEE73-2677-4AF1-90597F7976CA2BCD/objectId/37B80E7B-B0EF-4EE0-9A22AC964B3F8840/309/311/ART/>