

Pre-Planning for Loss – a “Legacy in a Box”

*“In the garden of memory, in the palace of dreams... that is where you and I shall meet.”
Alice Through the Looking Glass*

Dave Ramsey recommends that you put “YOUR LEGACY” in a box. It’s simple - put all your important paperwork and information in a single place!

“Your Legacy Box” should have dividers, folders or envelopes so that the items can be found in the order listed on the summary (on page 2-3.)

Before you get started, it may be helpful to briefly scan the list of items to get an overview and also to assess how much of this preplanning you may have already done.

If all of this is new to you, it might be less overwhelming to focus in on a few items at a time. Remember that every bit of preplanning you do will save time, resources and energy when the time comes to say a final goodbye to a loved one.

--- Contents of Packet ---

- ❖ Legacy in a Box – SUMMARY of Documents & Contacts (Pages 2 - 3)

- ❖ Legacy in a Box – DETAIL of List of Documents & Contacts (Pages 3 - 9)

- ❖ Information to Have Both Before & After a Death (Page 9 -11)

Legacy in a Box – Summary of Documents & Contacts

Documents

1. Summary of the Contents of the Box
2. Legacy Letters
3. Safe Deposit Box location & key location
4. Birth Certificates
5. Social Security Cards
6. Passports
7. Marriage Certificate
8. Auto Insurance
9. Homeowners/Renters Insurance
10. Health Insurance
11. Long-Term Disability Insurance
12. Long-Term Care Insurance
13. ID Theft Protection
14. Life Insurance
15. Umbrella Liability Insurance
16. Estate Plan
17. Power of Attorneys
18. Wills/Trusts
19. Medical Power of Attorney
20. Living Will
21. Advance Directive
22. Financial Account Log
23. Tax Returns
24. Money Market Statements
25. Mutual Fund Statements
26. College Funds
27. Retirement Accounts
28. Pensions
29. Rental Property Summary
30. Car Titles
31. Home Ownership Records
32. Credit Cards
33. Passwords/Combinations
34. Utilities
35. End of Life Statements
36. Funeral Instructions
37. Personal Belongings Statement

Contacts

- 38. Family
- 39. Attorney
- 40. Investment Advisor
- 41. Friends
- 42. Church

Legacy in a Box – Detail of List of Documents & Contacts

1) Summary of the Contents of the Box

- Simply make a copy of pages 2 and 3!
- If the item is not actually in the box, indicate, on the copy of the list, where the item is located – like safe Deposit Box, file drawer, etc.
- If the item does not apply to you, simply cross it out and skip that number when you put numbers to your items.

2) Legacy Letters

- “Legacy Letters” are personal letters from you to each of your family members. They are to be distributed upon your death.
- A sample Legacy Letter – just to give you a starting point:

Month Day, Year

Here is all the current information regarding homes, accounts, legal papers. This information is given to you in case one of us needs your help in handling financial matters, or for the day you have to deal with it yourself. We have researched this for a long time, and we have learned that this is one of the kindest efforts you can make for your spouse/children/survivors to help them through what will be a difficult time anyway. It should save you some of the effort and months of navigating the maze of someone else’s finances. We have seen so many people struggle for so long just because these things were not discussed or organized.

Don’t hesitate to hire people to help you and use some of this money to do it. If there is a beneficiary on an account, it will be one of us and in the event of both being gone, the secondary beneficiary is either _____ or _____ . We hope you always know that even after we are gone, we will always remain inside your heart with you and will love you forever.

3-15) (These are self-explanatory)

16-18) Estate Planning/Wills/Beneficiaries/Trusts

Having an estate plan in place is vital to ensuring the long-term security of the things you leave behind – your stuff, your family, your legacy. Is your estate plan complete, secure and in good working order?

- **What is Estate Planning?**

Estate planning is the process of anticipating and arranging, during a person's life, for the management and disposal of that person's estate during the person's life, in the event the person becomes incapacitated and after death.

The planning includes the bequest of assets to heirs and many include minimizing gift, estate, generation skipping transfer, and taxes. Estate planning includes planning for incapacity as well as a process of reducing or eliminating uncertainties over the administration of a probate and maximizing the value of the estate by reducing taxes and other expenses.

The ultimate goal of estate planning can only be determined by the specific goals of the estate owner and may be as simple or complex as the owner's wishes and needs directs. Guardians are often designated for minor children and beneficiaries in incapacity.

- **A Will:**

What is it?

A will is often the first estate planning document that comes to mind and is a document that everyone should have in place. A will is like a set of instructions that distributes assets to loved ones according to your wishes.

What it Can do:

Wills allow you to put restrictions (e.g., age or time-based) on how people inherit and contingencies in place if someone predeceases you. Wills can also help minimize estate taxes and legal challenges to your estate.

What it Cannot do:

1. *Provide Funeral Plans:* While it is possible to include your funeral instructions in your will, one of the disadvantages of a will is that it is usually not located or read until days or weeks after the death. The best way to help your family plan your funeral is to pre-plan it yourself with the funeral home or leave separate written instructions and tell people where to find them.

2. *Care for Your Pets:* An animal cannot legally inherit from you, so leaving money to your pet in your last will won't ensure your pet will be cared for. If you would like to make sure your pet will be cared for after your death, you can do so under your last will by leaving a specific sum of money to a trust that will be created for your pet after you

pass away. In your last will, you can name someone to act as the trustee of the "pet trust" and that person will be in charge of using the funds for your pet's benefit for the pet's lifetime.

3. *Transfer Certain Classes of Property:* When learning what is a last will, you may be surprised to find that there are types of property that a will cannot transfer when you die. Property that is owned as joint tenancy, life insurance policies, retirement accounts, transfer on death accounts or any property you have placed in a trust will pass upon your death automatically because of the way it is legally owned. Your will cannot affect these types of property.

4. *Avoid Estate Tax:* The federal government and some states apply an estate tax to estates that are valued over a certain amount (usually millions of dollars). Your will cannot avoid this tax using a will, but there are other ways to reduce estate taxes, such as some types of trusts.

5. *Avoid Probate:* Probate is the court procedure that validates a will and puts it into motion. Probate can take many months and involves the expenses of an attorney, executor, and court fees. If you create a will that is needed to transfer your property, probate cannot be avoided. Small estate proceedings are available in most states. These streamlined proceedings allow wills for small estates (usually under \$100,000) to be processed quickly and with fewer fees.

6. *Provide for a Child with Special Needs:* If you have a child, spouse, or other person you wish to provide for who has special needs, your will is not the vehicle to use for this. Instead, you will want to create a special needs trust that will hold money that is used for the person's care without affecting their government benefits.

- **Other Means of Transfer**

- **Joint Ownership:**

- You can transfer property through your will with specific or residuary bequests. A bequest is a gift made through a will. When you include specific bequests in this document, you identify the particular piece of real property or item of personal property and the individual to whom you wish to give the property.

- **Pay on Death:** Many people write wills that contain explicit details on the settlement of an estate. However, if you name someone as a pay-on-death (POD) beneficiary on one of your accounts, your assets are normally disbursed to the POD beneficiaries regardless of the instructions contained within your will.

- **Beneficiary Designations:**

- **Irrevocable Beneficiary:**

- The first type of beneficiary is an irrevocable Beneficiary. Irrevocable means that the beneficiary cannot be changed without his or her consent. All beneficiary appointments should be made with careful thought and consideration but naming an irrevocable beneficiary is even more so because it is not easily changed. Make sure you and your Financial Advisor go over all the considerations before designating an

irrevocable beneficiary. Typically, there are documents to sign and submit to the insurance companies head office showing you understand the implications of an irrevocable beneficiary.

Revocable Beneficiary:

The beneficiary appointment that we are most familiar with is the Revocable Beneficiary. With a revocable beneficiary, you can name an individual or several people or an organization as the beneficiary on your contract but because it is revocable you can change it at any time. Every institution has a document for you to name or change your beneficiary. You must fill these documents in and sign them each time you make a change. Remember that divorce doesn't change your beneficiary on your products nor does rewriting your will. Therefore, it's important to always keep your appointments up to date at all times.

Contingent Beneficiary:

The Contingent Beneficiary is often a forgotten appointment. When it comes to naming a beneficiary, you should always consider making a contingent beneficiary. A contingent beneficiary is an appointment of someone who will receive the benefits of your product if your primary beneficiary dies before you do. An example is naming children with a trustee as contingent beneficiary on life insurance plans. Also, you can appoint adult children, other family members or whomever you choose to receive the proceeds if your primary beneficiary passes away before you. One very good reason to make a contingent beneficiary appointment is that if the time comes down the road that your primary beneficiary has passed on before you, you might not be in any condition or ability to appoint a new primary beneficiary at that time.

Minor Children as Beneficiaries:

If you are naming a minor child as a beneficiary, make sure you also appoint a trustee to receive and manage the proceeds on behalf of the minor child or minor children. Discuss with your Financial Advisor the implications of naming children as beneficiaries.

- **Trusts:**

What is it?

Revocable/Living trust – Revocable trusts, like wills, are a set of instructions describing who should inherit and how.

What Can it Do?

However, unlike a will, revocable trusts offer the advantage of avoiding probate, which can be an expensive and time-consuming legal process (especially in Florida). A trust is often a more efficient vehicle to structure tax savings for your heirs.

What it Cannot Do:

1. *Shelter assets for purposes of Medicaid eligibility (Long-Term Care: How to Plan & Pay for it, by Joseph Matthews (Nolo), explains Medicaid eligibility and asset protection in detail.)*
2. Convey your wishes about medical intervention
3. Protect assets from creditors

4. Change your obligations to your family
 5. Nominate a personal guardian for your minor child
 6. In addition to these things that a living trust cannot do, there are significant drawbacks of a trust, including additional paperwork, record keeping, possible transfer taxes, and refinancing difficulties.
- **Durable Power of Attorney – Property**
A durable power of attorney is a legal document that designates an individual to act on your behalf during your life should you become incapacitated and unable to make decisions on your own. Durable powers of attorney can be drafted very broadly so that they cover most any financially related scenario (from opening mail to making investment decisions), or they can be narrowly tailored to a specific situation (closing on a real estate purchase).
 - **Healthcare Power of Attorney – Health**
Similar to a durable power of attorney, a healthcare power of attorney designates an individual to make medical decisions on your behalf during your life should you become incapacitated and unable to do so on your own.
 - **Letter of Intent**
While not a legally binding document, a letter of intent can be used to inform your executor, beneficiary or the court of your intentions following your death. People sometimes use these letters to express their funeral wishes or to designate how a special asset should be handled.
 - **Review Your Beneficiaries**
It's important to review your account beneficiaries on a regular basis to ensure they remain accurate. This is especially important if you have recently experienced a major life event, such as getting married, getting divorced, having a child, losing a spouse, etc.
 - **Make a Plan for Digital Assets**
If you don't have a plan in place for your digital assets (photos, videos, social media accounts, purchased music, credit card points, etc.), your loved ones may be unable to access them following your death. Your estate plan is a great place to designate who should have access to your digital assets and how to access those assets in a secure manner.
 - **Revisit Your Plan on a Regular Basis**
Your life, goals and financial situation evolve and change over time, and so should your estate plan. Revisit your plan on a regular basis to help ensure it continues to meet your needs and provide for your loved ones. Your wealth manager can help identify any changes that should be made as your life progresses.

19-21) Medical Power of Attorney/Living Will/Advance Directive

IMPORTANT: In order to have your wishes followed, oral instructions are not sufficient. Be sure that you have these instruments **on file with your attorney and your doctors:**

- **Medical Power of Attorney**
 - This gives your choice of person the authority to make medical decisions for you if you are incapacitated.
- **Living Will**
 - This allows an individual to state preferences for medical treatment, focusing on end-of-life decisions.
 - Be sure to include comfort features (if you so desire) such as wanting to have no pain, to be kept clean, frequent visitors, etc.
- **Advance Directive**
 - This includes the instructions collected in a Living Will and in a Medical Power of Attorney.

22-32) (These are self-explanatory)

33) Passwords/Combinations

- Be sure to think about passwords to financial accounts, utilities . . . any of the items listed on the list on page 2.

34) Utilities

- Electric, gas, water, sewer, trash, cable, internet, cell phone, etc.

35) End of Life Statements

- These may be included in wills. These answer the tough questions that we all need to know, and that we want others to know about us as time marches on in our lives.
- Include what goes into a living will as well as comfort, pain relief and personal thoughts about how you want to pass . . . clean and comfortable, with lots of family present? Pain relief as needed? Family speaking or reading to you if you are unresponsive? And so on.
- In order to have your wishes followed, oral instructions are not sufficient.

36) (This is self-explanatory)

37) Personal Belongings Statement

- A "Personal Belongings Statement" explains what you want done with your personal belongings.
- A sample "Personal Belongings Statement" – just to give you a starting point:

What (we/I) would like you to do with (my/our) belongings when (I/we) pass:
Please take anything of sentimental or useful value to you. Ask our friends how to best handle the sale of the rest. Our most valuable possessions are family photos. The albums are all in _____. Jewelry, watches, household art, furnishings can be divided up among you if you would like any of it.

38-42) (These are self-explanatory)

Information to Have Before & After a Death

BIG TIP TO REMEMBER: *Call before you go!* It's very important to call before mailing or going anywhere to double check to know exactly what you will need to send or bring with you. Everyone and every agency is different, and the documents that are required may be different depending on the circumstances and requirements that can change over time.

FUNERAL HOME NUMBER:

- Where burial/cremation has been pre-arranged in order to transport the loved one's remains from the current location to the funeral home.
- The funeral home will notify the State of the death, the State will notify the Social Security Administration of the death, and the Social Security Administration will notify Medicare and the VA.
- The funeral home can provide you with the original death certificate and certified copies of death certificates that they get from the State, but you will need to let them know how many that you need. Certified copies of death certificates currently cost around \$12 apiece and approximately 10 are recommended depending upon your notification requirements. In addition, you will probably need to make approximately 10 copies of the certified copy of the death certificate for some of the notifications and perhaps one or two certified long death certificates (which show cause of death) for life insurance companies or the VA depending upon your situation.

SURVIVORSHIP CONSIDERATIONS

Make sure that you have at least one individual, in addition to yourself, on the account as an "Additional User with Privileges."

- Consider contacting by phone or the internet the accounts that you have like:
 - Internet provider
 - Electricity, gas & other utilities companies
 - Amazon account
 - Homeowners Association
 - Telephone service provider
 - Credit cards, etc.
- Consider making certain that your spouse or at least one additional person is a joint owner for things like your home, car, etc. This will avoid many additional issues in the event of death.
- Consider contacting your attorney, CPA, financial planner, etc., to ask them about survivorship arrangements such as wills, living trusts, advance health directives, income tax issues, financial survivorship issues, etc.

SOCIAL SECURITY ADMINISTRATION:

- Extremely important for updates to SS benefits, wills, life, annuity insurance, bank/property casualty insurance, homeowner's insurance, etc.
- National Office: 1-800-772-1213
- Leesburg Office: 1-866-836-3623 900 N. 14th Street, #100, Leesburg, FL 34748

FLORIDA DEPT OF MOTOR VEHICLES AUTO REGISTRATION, TITLE & TRANSFER:

- Department of Motor Vehicle Services, 8033 E. County Road 466, Suite B, The Villages, FL 32162. Phone: 352-689-4645

CPA/ACCOUNTING FIRM:

- For updates submitted to the IRS and additional financial changes, distributions that may occur upon the death of a spouse.

OUTPATIENT CLINIC VETERANS AFFAIRS OFFICES

- THE VILLAGES VA OFFICE / 352-647-5097
8900 SE 165th Mulberry Lane, The Villages, FL 32162.
- SUMTER COUNTY VA OFFICE / 352-689-4450
7375 Powell Road, Wildwood, FL 34785
- MARION COUNTY VA OFFICE / 352-433-2320
2730 East Silver Springs Blvd., Ocala, FL 34470
- LAKE COUNTY VA OFFICE / 352-742-6585
1996 Classique Lane, Tavares, FL 32788

YOUR COUNTY RECORD RECORDER'S OFFICE:

For updates to your home deed, etc.

- LAKE COUNTY RECORDING OFFICE: 352-343-9770
313 S. Bloxham Ave, Tavares, FL 32778
MAILING: P.O. Box 7800, Tavares, FL 32778
- MARION COUNTY RECORDING OFFICE: 352-671-5630
110 NW 1st Ave, Ocala, FL 34478
MAILING: P.O. Box 1030, Ocala, FL 34475
- SUMTER COUNTY RECORDING OFFICE: 352-569-6610
215 E. McCollum Ave, Rm 190, Bushnell, FL 33513
- NORTH SUMTER RECORDING OFFICE: 352-689-4625
8033 E. CR 466, The Villages, FL 32162

COUNTY PROPERTY APPRAISER:

Update appraisal information and to request any available exemptions that are due you after spouse's death.

- LAKE COUNTY: 352-253-2150 (Main Office) / 352-253-2150 (Lady Lake Office)
- SUMTER COUNTY: 352-569-6800 (Main, Villages Annex and Wildwood Offices)
- MARION COUNTY: 352-368-8300 501 SE 25th Avenue, Ocala, FL 34471
Mailing Address: PO Box 486, Ocala, FL 34478

FLORIDA DEPARTMENT OF MOTOR VEHICLES:

- 8033 E County Road 466, Suite B The Villages, FL 32162 (352) 689-4645

POST OFFICE:

- If you shared a residence with the deceased person, you can open that person's mail and deal with it as necessary. To forward mail to an appointed executor, the executor must go to the Post Office and confirm that he/she is authorized to manage the deceased's business.
- As for junk mail, the Data & Marketing Association has a "Deceased Do Not Contact" (DDNC) list. Register at www.DMAchoice.org. Within 90 days the superfluous advertising should stop.

SOURCES:

Robert Jordan – Estate Plan

Jill Marrese – Household Information Workshop

Mel Parker – Contact Information to Have Before Someone Dies