

The Estate Planning Eight: Essential Documents Every Adult Needs

Whether you are married, single, or in a relationship, and whether or not you have children or are expecting a child, you need to protect yourself and your loved ones. Estate planning is not just about end of life planning, it also offers protection in times of disability or incapacity. Considering situations in which these documents will be necessary is not easy or comfortable for some, but estate planning is more important than you may know, and more affordable than you may think.

- 1. Last Will and Testament** – Most people know that a Will is a document that directs how your possessions will be distributed after you pass away. The problem is that if you don't have a Will, the State of Texas has one for you—and you may not like what it says. It is important to make sure that your family and friends are remembered and provided for properly.

Recommended for: Everyone! Even if you are in good health or don't have a large estate, simply having a Will can save thousands of dollars in probate costs. If you are married, have young children, or have children from a prior marriage, a Will is even more essential to protect your family.

- 2. Statutory Durable Power of Attorney** – Also known as a Financial Power of Attorney. If you become unable to make financial decision on your own due to reduced mental capacity or inability to communicate your wishes, this document allows you to give another person the legal authority to manage your affairs, such as paying your bills, collecting money owed to you, or monitoring your investments. Having a valid Power of Attorney can also help avoid the cost and loss of liberties associated with a Guardianship should you become incapacitated.

Recommended for: Everyone! Married people often assume their spouse will be authorized to take care of their financial and business affairs in these situations, but this legal right only applies to certain jointly-owned property. Real estate and your separate property require that your spouse or other agent be named in a Power of Attorney.

- 3. Medical Power of Attorney** – This document authorizes another person to make healthcare and treatment decisions on your behalf if you are unable to make or communicate them on your own. A Medical Power of Attorney is similar to a Financial Power of Attorney, but applies strictly to healthcare decisions.

Recommended for: Everyone. Especially recommended for people who (1) want a say in who will make decisions for them, (2) are not married to their partners, or (3) do not want their closest relatives to have the power to make medical decisions for them.

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- 4. HIPAA Release Authorization** – When you are unable to speak for yourself, this document allows your physician to speak freely about your medical condition and treatment, but only with the persons you have designated in this document. This authorization is especially important if you designate an unrelated person or unmarried partner in your Medical Power of Attorney.

Recommended for: Everyone! Health care privacy laws in the U.S. are extremely strict, and continue to get more restrictive in the digital age. Listing your loved ones in a HIPAA Authorization is the only way to ensure they aren't left in the dark during a traumatic time.

- 5. Declaration of Guardian in Case of Later Need** – If you are ever challenged by continuing reduced mental capacity due to a serious injury or illness such as Alzheimer's, you can give strong authority to a loved one to step into your shoes and act on your behalf as your legal Guardian in financial matters and with regard to your personal care.

Recommended for: Everyone, but especially if you have close relatives you do not trust with your personal care or the control and management of your finances.

- 6. Living Will (Advance Directive to Physicians and Family)** – In the event that you suffer an illness or serious injury that you will not likely survive, and are unable to communicate your wishes, this document directs that you will either (1) be given life sustaining treatment through artificial life support, or (2) be allowed to pass away naturally while being kept comfortable. This directive allows you to make the choice ahead of time rather than placing the burden of this serious decision on your loved ones.

You may also leave additional instructions in your Living Will, such as directing that your organs be donated or that you wish to abstain from certain treatments because of your religious beliefs or personal preference.

Recommended for: If you have a preference regarding artificial life support, the length of time you would like to be kept alive by life support, organ donation, or any other medical treatment, you need a Living Will.

- 7. Appointment for Disposition of Remains** – This document gives authority to a person you choose to make sure your funeral, memorial or other arrangements are taken care of according to your detailed wishes.

Recommended for: Everyone! What happens after you pass away is fought over more often than you would think, especially when you have an unmarried partner or children from a prior marriage. This document is also essential for anyone who would like to have a say in what happens after they pass away and how they will be memorialized.

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- 8. Transfer on Death Deed (TODD)** – A Transfer-On-Death Deed is a special type of deed that allows you to automatically transfer your real property at your death, without the need for probate through the court system. A TODD works much like a payable-on-death designation on a bank account and allows the owner to name both primary and alternative beneficiaries.

Recommended for: Anyone that owns a house, ranch, or other real property, or who has an interest in uncut timber or mineral rights, and wishes this real property to pass directly to a beneficiary or beneficiaries without the need for the formal court probate process.

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