FREQUENTLY ASKED QUESTIONS

1. Basics of Estate Planning

Q1: What's the difference between an estate plan and a will?
A will is a legally binding document that contains information about the distribution of assets after your death. An estate plan, on the other hand, is a broader term. Estate planning is the process of arranging the distribution of assets in a way that results in maximum benefits to the beneficiaries. A will is only one element of estate planning; complete estate planning includes various other documents to ensure your assets are distributed in a cost- and tax-efficient manner.

Q2: Can we prepare an estate plan on our own? Are there any DIY programs available, or do we always have to use a professional?
It is not recommended that an individual create their own estate plan because estate planning involves many legal complexities that require professional advice to ensure that all legal requirements are met and your wishes are properly documented.

Q3: What assets can you add to the estate (trust account, savings account, real estate property, etc.)?
All assets are included in your estate unless you have worked with an estate planner on a way to exclude the asset (e.g., certain insurance trusts and gift trusts).

Q4: What happens if you plan in one year, and estate tax laws change the next year? Does that affect the estate plan made previously?
A properly prepared estate plan that takes full advantage of the existing tax laws should remain valid regardless of any future changes in tax laws. However, it's important to regularly review your estate plan with an attorney to ensure it remains aligned with current laws and your wishes.

Q5: Does a will automatically become void once you have a trust?
No, a will does not automatically become void once you have a trust. A will and a trust serve different purposes in an estate plan, and you may need both depending on your specific situation.

Q6: Can an estate plan protect you from business liabilities? If yes, please give examples.
Yes, an estate plan can protect you from business liabilities depending on how your plan is structured and what asset protection mechanisms are used (e.g., irrevocable trusts, various business structures). You should consult an estate planning attorney for guidance on your specific situation.

Q7: What is an estate plan?
An estate plan is a set of instructions that tells people what to do with your assets—like your house, car, money, and personal items—after you pass away. It can also include instructions on who should take care of your kids and how you want to be taken care of if you can't make decisions for yourself.

Q8: Why do I need an estate plan?
An estate plan makes sure your wishes are followed, your family knows what to do, and everything is handled smoothly. Without an estate plan, it can be confusing and stressful for your loved ones, and the government might decide what happens to your stuff.

Q9: What's the difference between a will and a trust?
A will is a document that says who gets your stuff after you die and can name guardians for your kids. A trust is like a special box where you put your stuff to be managed by someone else (a trustee) for the people you care about (beneficiaries). A trust can help avoid court and keep things private.

Q10: What is a power of attorney?
A power of attorney is a person you choose to make decisions for you if you can't. It could be about your money, property, or even healthcare decisions.
