# LAST WILL & TESTAMENT CHECKLIST

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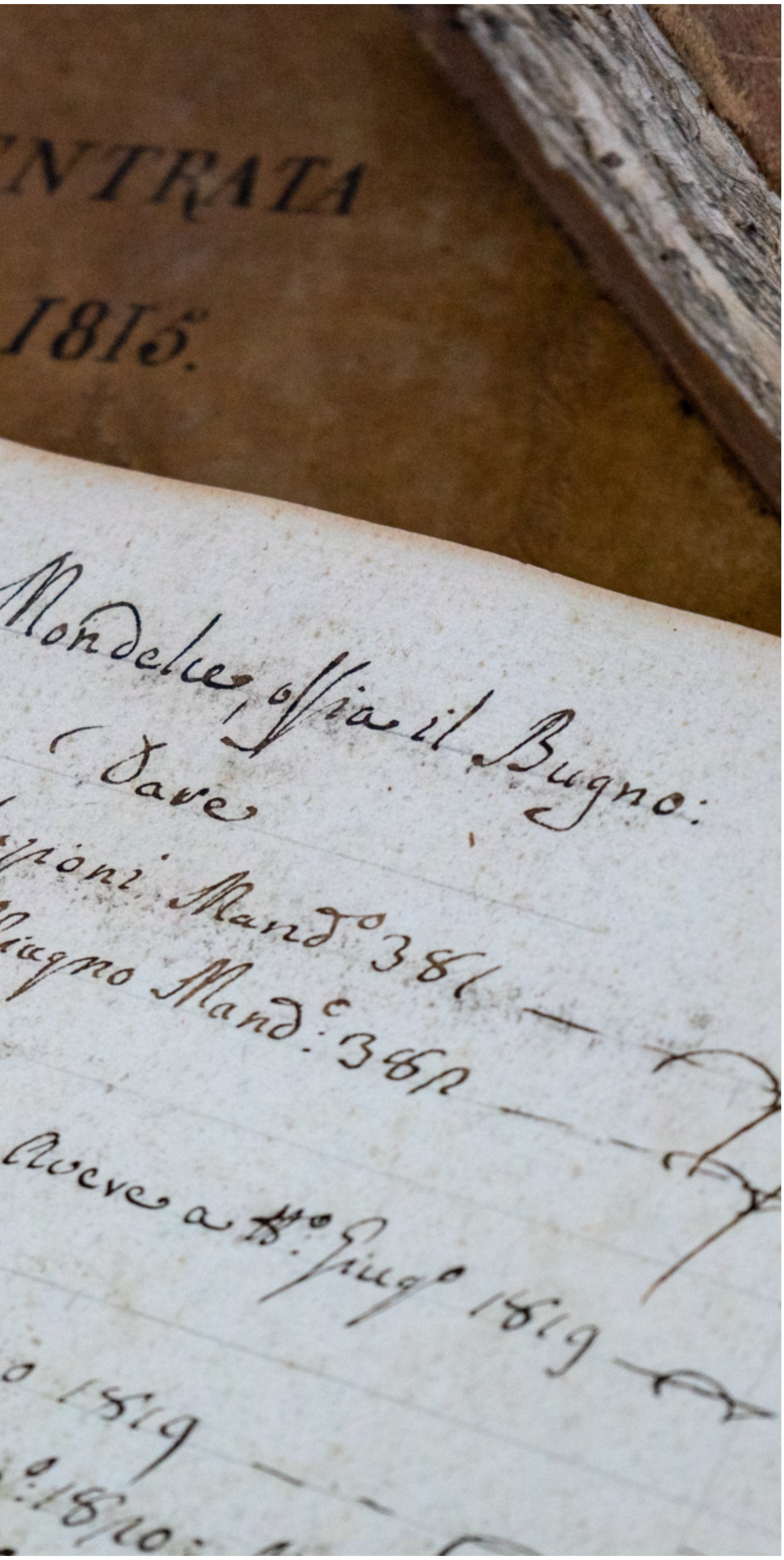


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# SYNOPSIS

Estate planning goes beyond drafting a will. Thorough planning means accounting for all of your assets and ensuring they transfer as smoothly as possible to the people or entities you wish to receive them.

Along with implementing your plan, you must make sure others know about it and understand your wishes. Not sure how to get started?

Follow this checklist, and you'll have covered most, if not all of your bases.

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FINANCIAL PLANNER

## 1. ITEMIZE YOUR INVENTORY

To start things out, go through the inside and outside of your home, and make a list of all valuable items.

Examples include the home itself, television sets, jewellery, **collectibles**, vehicles, art and antiques, computers or laptops, lawn equipment, and power tools.

The list will probably be a good deal longer than you may have expected. As you go, you may want to add notes if someone comes to mind that you'd like to have the item after your death.

## 2. FOLLOW WITH NON-PHYSICAL ASSETS

Next, start adding your non-tangible assets to your list, such as things you own on paper or other entitlements that are predicated on your death. Items listed here would include brokerage accounts, **401(k) plans, IRAs**, bank accounts, life insurance policies, and other policies such as long-term care, homeowners, auto, disability, and health insurance.

Include all account numbers and list the location of any physical documents you have in your possession. You may also want to list contact information for the firms holding these non-physical possessions.

# 3. ASSEMBLE A LIST OF DEBTS

Then, make a separate list for open credit cards and other obligations you may have. This should include items such as auto loans, mortgages, **home equity lines of credit** (HELOCs), and any other debts you might owe.  Again, add account numbers, the location of signed agreements, and the contact information of the companies holding the debt.

Include all your credit cards, noting which ones you use regularly, and which ones tend to sit in a drawer unused.It's generally a good practice to run a free credit report at least once a year. This will also identify any credit cards you may have forgotten you have.

# 4. MAKE A MEMBERSHIP LIST

If you belong to any organizations such as the **AARP**, The American Legion, a veteran's association, a professional accreditation association, or a college alumni group, make a list of them. In some cases, these organizations may have accidental life insurance benefits (at no cost) on their members, and your **beneficiaries** may be eligible to collect.

Include any other charitable organizations that you support. It's also a good idea to let your beneficiaries know which charitable organizations or causes are close to your heart and to which you might like donations to go in your memory.

# 5. MAKE COPIES OF YOUR LISTS

When your lists are completed, you should date and sign them and make at least three copies. The original should be given to your estate administrator (more on that person later). The second copy should be given to your spouse (if you are married) and placed in a **safe deposit box.** Keep the last copy for yourself in a safe place.

# 6. REVIEW YOUR RETIREMENT ACCOUNTS

Accounts and policies that have designated beneficiaries will pass directly to those people or entities upon your death. It does not matter how you direct that these accounts or policies be distributed in your will or trust. The beneficiary designations associated with the retirement account will take precedence.

Contact your employer's customer service team or plan administrator for a current listing of your beneficiary selection for each account. Review each of these accounts to make sure the beneficiaries are current and listed exactly as you like. This is especially important if you have divorced and remarried.


# 7. UPDATE YOUR INSURANCE

As with retirement accounts, life insurance and **annuities** will pass directly to beneficiaries. It is important to contact all life insurance companies where you maintain policies to ensure that your beneficiaries are up-to-date and listed correctly.

# 8. ASSIGN TRANSFER ON DEATH DESIGNATIONS

Assets bequeathed in a will often go through probate, as do assets if someone dies intestate. This process, in which your assets are distributed per court instruction, can be costly and time-consuming.

However, many accounts, such as bank savings, **CD accounts**, and individual brokerage accounts, are unnecessarily probated every day. If you hold these accounts, they can be set up—or amended—to have a **transfer on death** (TOD) designation, which lets beneficiaries receive assets without going through the probate process. Contact your custodian or bank to set this up on your accounts. (This can only be done with account's that have a US address, if your custodian does not offer these services a Trust may be used)

## 9. SELECT A RESPONSIBLE ESTATE ADMINISTRATOR

Your estate administrator or executor will oversee administering your will when you die. It is important that you select an individual who is responsible and in a good mental state to make decisions.

Do not immediately assume that your spouse is the best choice. Think about how emotions related to your death will affect this person's decision-making ability. If you foresee an issue, consider other qualified individuals.

## 10. DRAFT A WILL

Everyone over age 18 should have a will. It is the rulebook for the distribution of your assets, and it could prevent havoc among your **heirs**. A will can also name a guardian for your minor children and designate who should care for your pets. You can leave assets to charitable organizations through your will, too.

Wills are inexpensive estate-planning documents to compose; many attorneys can help you craft a will for less than $1,000, depending on the complexity of your assets and your geographic location. You can also write your own will with the assistance of **online services** or other software packages.

Make sure that you sign and date your will, in front of two non-related witnesses who should also sign the document, and have it notarized. Finally, make sure other people know the location of the document so they may access it when needed.

## 11.REGULARLY REVIEW YOUR DOCUMENTS

Review your will for updates at least once every two years and after any major life-changing events (marriage, divorce, the birth of a child, and so on). Life is constantly changing, and your assets and wishes are likely to change from year to year, too.

## 12. COPY THE ADMINISTRATOR

Once your will is finalized, signed, witnessed, and notarized, you will want to make sure that your estate administrator gets a copy. If the original is not being kept in your home (for example, it is at your attorney's office), you should also keep a copy in a safe place at home.

Bear in mind that while you can make copies, only the original will—the "wet signature" document, in estate-planning lingo—can be filed for probate.

## 13. VISIT AN ESTATE ATTORNEY AND/OR A FINANCIAL PLANNER

While you may think that you've covered all your bases, it may be a good idea to consult with a professional on a full investment and insurance plan. And if it's been a while, you may want to revisit your plan. As you get older, your needs may change, such as figuring out if you need **long-term care insurance** and protecting your estate from a large tax bill or lengthy court processes. Professionals will also be up on changes in legislation and income or estate tax laws, which could impact your bequests.

## 14. SIMPLIFY YOUR FINANCES

If you've changed jobs over the years, it's quite likely that you have several different 401(k) retirement plans still open with past employers or maybe even several different IRA accounts. You may want to consider consolidating these accounts into one individual IRA. Consolidating of accounts allows for better investment choices, lower costs, a larger selection of investments, less paperwork, and easier management.

## 15. COMPLETE OTHER IMPORTANT DOCUMENTS

At a minimum, you should create a will, **power of attorney**, healthcare proxy, and **living will**. Your will should also assign guardianship for your minor children as well as any pets. Consider setting up both financial and medical powers of attorney so that people you trust will be there handling your affairs should something happen to you.

You can also write a **letter of instruction** to leave step-by-step instructions as well as spell out your personal wishes for things like your funeral or what to do with your digital assets like social media accounts.

If you're married, each spouse should create a separate will, with plans for the surviving spouse. Finally, make sure that all the concerned individuals have copies of these documents.

## 16. TAKE ADVANTAGE OF COLLEGE FUNDING ACCOUNTS

You may want to set up **529 college savings plans** for your grandchildren. In these plans, savings grow tax-free, and many states offer tax deductions for the person contributing the funds. (Some countries may have negative connotations towards 529 plans depending on taxation)

# THE BOTTOM LINE

Procrastination is the biggest enemy of estate planning. While none of us likes to think about dying, improper or no planning can lead to family disputes, assets getting into the wrong hands, long court litigation, and excess money paid in estate taxes. So, pick a time to get started.

> "By failing to prepare, you are preparing to fail."
>
> BENJAMIN FRANKLIN