

# The Hock Group

"Modern Advisors for  
Modern Families."

BAIRD

Private Wealth  
Management

## Building Blocks of Estate Planning Wealth Management Insights | October 2018

Everyone, regardless of age or wealth, should have a comprehensive estate plan. For many people, the biggest hurdle to putting one in place is knowing where to start. This month's *Wealth Management Insights* gives you the basic building blocks of estate planning..

### What you should know:

#### 1. Where there's a will there's a way.

- Clichés aside, a last will and testament is a fundamental part of an estate plan. It is the way by which your assets are distributed upon your death. Without a will, your assets will be distributed according to the laws of the state in which you live, which may not align with your desires.
- If you have minor children, a will allows you to nominate a guardian to care for them until they reach the age of majority.
- A living will, which differs from a last will and testament, details your healthcare wishes in the event you become terminally ill or incapacitated.

#### 2. Trust Me.

- While a will ensures your assets will be distributed according to your wishes, it requires going through public probate proceedings upon your death. A trust allows you to bypass probate, which can be a lengthy and costly process, and pass certain assets directly to your heirs.
- Assets placed in a revocable trust can be passed to your heirs without probate, and they remain in your control during your lifetime.
- Property placed inside an irrevocable trust is no longer considered part of your estate, which reduces the value of your estate for tax purposes. It may be passed to heirs without probate, but you have no control over the assets it contains once it is placed in trust.

#### 3. You've got the power...of attorney.

- Appointing a power of attorney is another important piece of an estate plan. In the event you become ill or incapacitated, your appointed agent can make any necessary legal and financial decisions on your behalf.
- A healthcare power of attorney is a separate document which appoints someone you trust to make healthcare decisions on your behalf should you be unable to do so yourself.
- A power of attorney acts on your behalf while you are alive but incapacitated; an executor for your estate acts on your behalf after your death. While they can be the same person, they are legally separate agents.

### What you should do now:

If you do not yet have an estate plan in place, begin by reflecting on your assets and how you would like them distributed upon your death. If you have a plan, it might be time for a review. Generally, you should review your plan every three years, when there are changes to estate tax law or upon a major life change such as a birth, death, marriage or divorce. We can help you make sure the decisions you make in this process are the right ones for you and your family.

### The Hock Group

Private Wealth Management | Baird  
2425 E. Camelback Road, Suite 530 | Phoenix, AZ 85016  
602-224-4900 | [thehockgroup.com](http://thehockgroup.com)

*Robert W. Baird & Co. Incorporated does not offer tax or legal advice.*