

Ideas

on financial, estate, and charitable planning
from Southwestern Medical Foundation
and UT Southwestern

Estate Planning

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For many people, estate planning is an intimidating and mysterious process that is to be avoided, or at least delayed, at all costs. It is understandable how something producing "last will and testaments," "living, testamentary, and irrevocable trusts," "guardianships and executorships," and "powers of attorney" would cause many to find something else to do other than plan their estate. However, the technical aspects of an estate plan as well as the gravity of the decisions that must be made should not deter one from the process. In this issue, we explore the process of estate planning which will lead you to important decisions about inheritance, family, and charity as well as personal issues of financial security and health.

Estate Planning Begins with Human Issues

The legal instruments that implement one's wishes and desires should not be the initial focus of estate planning. Fundamentally, estate planning begins with human issues. Estate planning begins with your asking questions of yourself and on behalf of your family which define your personal needs and desires. Some of the questions will involve issues of financial security:

- Do I have enough money?
- Is my family provided for if something happens to me?
- Do I have enough life insurance to provide for my family and to pay any taxes my estate might owe?
- How much should I give my children?
- When should I give it to them?
- Should I give it outright or in trust?
- Who will take care of my minor children should something happen to me?

For others, the unique concerns of a blended family may also need to be addressed:

- Should my spouse predecease me, how will I be treated by his or her children from an earlier marriage?
- How will our children be treated?

Personal concerns involving health and aging issues should also be considered:

- What happens if I become ill or disabled?
- Who will make decisions for me if I cannot make them for myself?

These questions will set the agenda for your discussions with your estate-planning attorney. Your attorney will be better able to help you fulfill your desires if you have thought about these issues and are clear about whom you want to provide for, what you want to happen to your property, and what your major concerns are.

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Working with an Estate-Planning Attorney

In working with an estate-planning attorney, communication is key. Find an attorney with whom you have an open and comfortable relationship. This may or may not be the same advisor that your spouse used. You may want to visit with several attorneys before you decide with whom you should work. This is one of the earliest and most important decisions a person must make—choosing an attorney whom you trust and who is competent in estate planning.

A good attorney will allow you to talk about your personal needs and desires. What do you want to happen to your property? Whom do you want to receive your property? What are your concerns about money, health, and family? By first understanding your wishes, the estate planner can then tailor a plan to meet your needs.

Of course, a good estate-planning attorney will not only have good communication skills, he or she will also have specialized knowledge in estate and trust administration and estate planning. Therefore, it is important for the attorney to be competent in the specific laws that impact estate planning.

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Gifts to Charity

Support of charitable organizations is an important part of many estate plans. Through one's will, a person can leave a bequest to charity or establish a charitable remainder trust or a charitable gift annuity to provide income for loved ones with the remainder

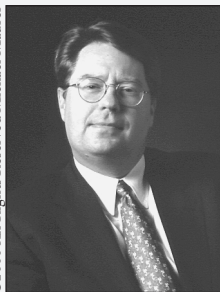
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going to charity at a later date. Through beneficiary designations of life insurance or retirement-plan assets such as IRAs, individuals can make wonderful gifts and save significant estate taxes as well. Just as you will want to seek out competent advisors for your general estate plan, charitable estate planning is a specialized knowledge that your estate attorney should have to help you meet all of your family and charitable goals.

Below are some of the legal documents one may find in a good estate plan:

- Will
- Living trust
- General power of attorney
- Durable health care power of attorney
- Guardian designation
- Living will or directive to physicians
- Declaration of person to control remains

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For More Information

If you would like more information about estate planning, please send for a complimentary copy of our booklet, *New Perspectives in Estate Planning*. Simply return the enclosed card or call Randy

Daugherty, Planned Giving Director, Southwestern Medical Foundation.

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