2026-7-14

?

GTK

How to tackle estate planning basics in 6 steps

BY CHRISTINE BENZ

MORNINGSTAR

Contemplating your own death or disability isn't particularly pleasant, but estate planning can bring peace of mind for you and your family.

Here are the key steps to take.

Step 1: Find a qualified attorney

Because your estate plan will likely need to be updated as the years go by, it makes sense to find an attorney who practices in the community where you live.

Start by asking other financial professionals who you work with for recommendations. If you have a specific situation that is likely to affect your estate plan — for example, if you're a small-business owner or if you have a child with a disability — ask for referrals to attorneys well-versed in those areas.

Conduct a basic informational interview with prospective attorneys (it should be free), and ask the following:

1. How long have you been practicing law?

2. How long have you been practicing this type of law?

3. How many estates have you settled?

4. What is the typical asset level for your clients?

5. Do you have experience with situations like mine? (Blended/divorced family, business owner, child with addiction issue, etc.)

6. How do you charge for your services? What is an estimate of the charges for my estate plan?

7. Do you have experience with tax planning? (Particularly important for large estates)

Remember to weigh the intangibles: Do you like this person, and would you be comfortable supplying them with personal information about your finances and family situation?

Step 2: Take stock of your assets

List your assets and their value: investment accounts, life insurance, your home, your share of any businesses you own. Gather current information about any debts outstanding. Your estate-planning attorney is likely to provide you with a worksheet for this.

Step 3: Identify key individuals

Who do you trust to ensure that your wishes are carried out in case of your death or incapacity? You'll need individuals to fill the following key roles. Note that the same individual can fulfill more than one role.

8. Executor: A person who gathers your assets and makes sure they are distributed as spelled out in your will. The executor must be detail-oriented and comfortable with numbers. The executor can be a family member or a professional (such as a bank trust officer).

9. Durable (or Financial) Power of Attorney: A document that grants an individual the legal authority to make financial decisions on your behalf if you can't. This person must understand your wishes about your financial affairs. They should also be detail-

oriented and adept with financial matters.

10. Power of Attorney for Healthcare: A document that specifies whom you entrust with making healthcare decisions on your behalf if you can't. Ideally, this person lives reasonably close and understands your general wishes about healthcare.

11. Guardian: A person who is willing and financially able to look after and/or raise your minor children if you and your partner die. You want your child's guardian to share your values and views on parenting.

Step 4: Know the key documents you need

At a minimum, ask your attorney to draft:

12. Last Will and Testament: Tells everyone how you would like your assets distributed after you're gone.

13. Living Will: Tells your loved ones and healthcare providers how you would like to be cared for if you become terminally ill. It usually includes your wishes on the use of life-support equipment.

14. Healthcare Power of Attorney: Gives an individual the power to make healthcare decisions on your behalf.

15. Durable (Financial) Power of Attorney

Step 5: Manage your documents

Once your estate-planning documents are drafted, destroy any older versions. Keep the current ones in a secure place and tell the executor where they are.

Provide copies to your executor, agents for powers of attorney, and the guardian for your children, and discuss your wishes with them.

Step 6: Plan to keep your plan current

One of the biggest estate-planning pitfalls is drafting a plan but not keeping it up to date. Plan to notify your estate-planning attorney, and possibly revise your documents, in these situations:

16. A change in marital or family status (marriage, divorce, birth, adoption)

17. A major change in assets (sale or purchase)

18. A major change in financial status

19. The death or ill health of a beneficiary

20. The death or ill health of the executor, power of attorney, or guardian.

Christine Benz is director of personal finance and retirement planning for Morningstar and co-host of The Long View podcast.