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ELEMENTS OF A COMPLETE ESTATE PLAN

~ Essential Legal Documents ~

1. Will – Articulate your wishes concerning who should inherit property from you, who will oversee the administration of your estate, who should care for your children (guardian), who should manage their assets until they are able (Trustee or Conservator), and more.

2. Consider a Trust – Achieves all of the goals of a Will, but offers additional features including: probate avoidance, minimize or eliminate estate taxes, saves time and expense during administration, keeps administration private (probate files are public records), and more. There are many types of Trusts for different goals.

3. Healthcare Directives – Incapacity planning tool. If you are living, but unable to communicate your wishes regarding your medical care, this document allows you to 1) nominate someone make decisions on your behalf, 2) define how broad/narrow their authority should be, 3) leave specific instructions regarding your care, and 4) express other preferences regarding your care in your last days.

4. Powers of Attorney – Incapacity planning tool. Grant authority to another to manage your property and finances in the event you become incapacitated. The alternative is a cumbersome and costly court process of appointing a Conservator.

5. Standby Custodian Nomination – Incapacity planning tool. If you are caring for minors, and are living, but unable to provide for their care, you can temporarily delegate authority to another to act in this role until you are able to resume.

~ Additional Planning Considerations ~

6. Protect Your Children – Leaving finances to minors, or even to young adults, is often not the best arrangement. Consider techniques to protect or suspend their inheritance to a more mature age (of your choosing). In the meantime, you can define who manages the funds.

7. Update Beneficiary Designations – These must be updated in response to changes in your family, friends and lifestyle. An old designation can undercut an entire estate plan.

8. Consider Life Insurance – Can preserve an estate from being reduced by debts.

9. Understand Estate Taxes – Minnesotans need to pay attention to both federal and state estate tax laws. Currently, estate taxes apply if an estate is valued at \$3 million. As you calculate the size of your estate, you must include all assets, real estate equity, personal property, and even *death benefits (such as life insurance proceeds) payable upon your death*.

10. Consider Advanced Funeral Planning – The spirit of planning is to make all the decisions you can, so as to not strap your heirs with the decision-making burden. Making decisions about your funeral in advance is admittedly uncomfortable for many, but can be a very tangible gift to those you leave behind.