

# *Wills, Trusts, and Estate Planning Basics.*

*An Introductory Guide to Estate Planning in  
Michigan.*

**Lane Zabawa**

A Publication of



VENTURESLAW

# *Table of Contents*

## Chapters

1. What is Estate Planning?

2. Wills

3. Trusts

4. Durable Power of Attorney

5. Patient Advocate Designation



CHAPTER ONE

*What is Estate  
Planning?*



# What is Estate Planning?

Making a **plan** for:

- Who will receive your money and possessions after you die?
- Who will take care of your children, if they are minors?
- Who will help make decisions if you become disabled?
- How will you protect those you love after you have passed?

all while minimizing court involvement and fees to ensure you are protecting your loved ones and the things you've worked so hard for.



# What is Estate Planning?

*Continued*

## Estate Planning is for Everyone!

If you have any assets, and you have someone you care about, then planning how to best provide for them is worth some thought.

Estate Planning can utilize a number of tools and tricks to accomplish **your** goals. But the 4 most common tools are:

1. Wills
2. Trusts
3. Durable Power of Attorney
4. Patient Advocate Designations

We will talk about each of these individually in the upcoming chapters.



## CHAPTER TWO

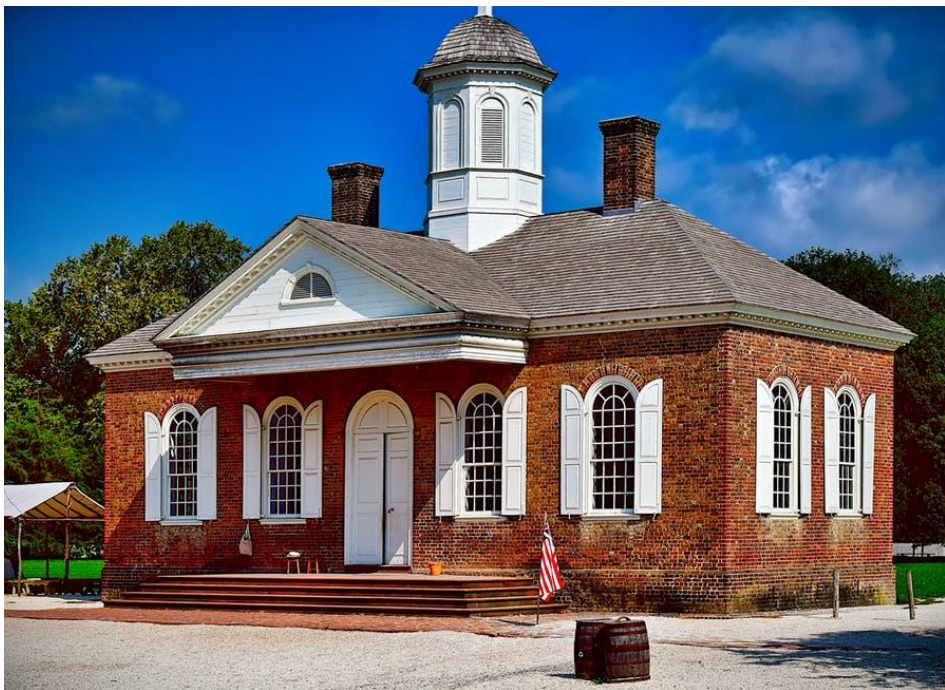
# *Wills*



# Wills

**What It Does:** Allows you to delegate who your possessions go to and who you would like to be the guardian of your children after your death.

**Why You Need It:** Everyone has something! Without a will, Michigan Laws decide who gets what. Even scarier, if both parents pass away without a will, you are leaving it up to the courts to decide who will be the guardian of your children.



# Wills

## *Continued*

Wills take care of all the assets that are part of your estate and therefore must go through the court process called probate. Your estate includes most of the stuff you own at the time you die. **Your estate does not include:**

**1.Assets you put in a Trust.** (We'll talk more about this in the next chapter.)

**2.Assets Owned Jointly or with a Named Beneficiary.** Often Bank accounts or investment accounts allow you to include multiple owners on an account or name a beneficiary. This automatically transfers ownership of the money in those accounts on your death. This can be an important part of estate planning and is something you can do on your own.

**3.Property Owned Jointly.** Like assets with a named beneficiary, property (your home) owned in certain arrangements does not become part of the estate.

- A. Property Owned by married Couples (Tenancy by the Entirety)
- B. Property Owned Jointly as Joint Tenants with Rights of Survivorship
- C. Property Owned under an Enhanced Life Estate (also called a lady bird deed)

\* This is just scratching the surface of property law. Please contact Ventures Law Firm, PLLC if you want to learn more about types of property ownership.





CHAPTER THREE

*Trusts*



# Trusts

**What It Does:** Holds your assets so they are not part of your estate. This avoids the need for probate. They can also give you more control over how your assets are divided and distributed after your death.

## Why You Need It:

1. Probate is the court process for distributing your assets after your death. It can be a pain for those you leave behind. Your loved ones need to file documents with the court, and pay fees, in order to distribute your assets. A trust can allow them to **skip probate**, making things easier for those you love.

2. **Added control** is the most important aspect of a trust. If you have children, a trust will allow you to outline how you want your assets used for your children. You can set aside a portion to be used only for education. You can stagger when they receive your money, so they don't get one big chunk at 18 (we all know how responsible most 18 year olds are).

Even if your children are grown, having a trust may allow them to protect their inheritance from creditors.

# Trusts

## *Continued*

Trusts come in many different shapes and sizes. But by far the most useful for most situations is the **Revocable Living Trust**.

As the name implies, this is created during your life, and can be **amended or revoked whenever you want**.

In order to be used to avoid probate, a revocable living trust **must be funded**. This means that you transfer ownership of your assets (house, boat, personal property, etc.) to the trust. But remember, as trustee of the trust, you can transfer the assets back whenever you want.

Even if you don't transfer all of your assets to the trust ahead of time, your will should transfer anything you missed into the trust. **The successor trustee you pick will then distribute the assets, how, and when, you have chosen.**



# Trusts

*Continued...again*

## Some other Trusts Include:

- **Testamentary Trusts.** This trust is part of a will, and does not become valid until death. It won't help your family avoid probate, but it can be a good option for parents that want to plan for their young children.
- **Irrevocable Trusts.**
- **Cabin Trusts**
- **Pet Trusts**
- **Gun Trusts**

### **Trusts May Not be Needed for Everyone.**

Trusts are an added cost, but the benefits may be worth it, especially for those with kids. If you have a small estate and no young children, a will may be sufficient.

The best way to know what plan will meet your needs, is to talk to an estate planning attorney.



## CHAPTER FOUR

# *Durable Power of Attorney (DPOA)*



# Durable Power of Attorney (DPOA)

**What It Does:** Allows others to make financial decisions or deal with your assets on your behalf.

**Why you Need It:** A Durable Power of Attorney ensures someone you trust will take care of your property or finances if for any reason, you are unable to act on your own.

Examples of tasks a DPOA may perform:

- access bank accounts
- manage property
- pay bills

\*A Durable Power of Attorney is no longer effective after your death...for that you need a will or trust.



# Durable Power of Attorney (DPOA)

*Continued*

The “Durable” part of the DPOA means that it will still be in effect if you become disabled or are unable to make your own decisions. This is incredibly important because...

Without a DPOA in place, your loved ones would have to go to the court to get a **conservatorship**. Conservatorships come with a lot of court supervision, which can be costly, and you don’t get to choose who’s in charge, the court does.

A Durable Power of Attorney can come in one of two ways:

- Effective Immediately

or

- Springing (Not effective unless you are disabled)

You can decide which works best for your situation.



## CHAPTER FIVE

# *Patient Advocate Designation (Medical Power of Attorney)*





# Patient Advocate Designation (Medical Power Of Attorney)

**What It Does:** Allows others to make **medical** decisions on your behalf, and allows hospitals to provide those you have chosen with your healthcare information.

**Why You Need It:** If for any reason you are unable to make medical decisions on your behalf, a Patient Advocate Designation makes sure you have given someone else the ability to do so.



# Patient Advocate Designation (Medical Power of Attorney)

*Continued*

Included in your Patient Advocate Designation will be a **HIPAA waiver**. This ensures that your doctors and medical staff can share your medical information with your chosen patient advocate.



Michigan does not recognize living wills ...but your Patient Advocate Designation is the document in which you can share your wishes regarding end of life treatment.

# *Talk to an Expert Today.*

Ventures Law Firm works with individuals and families every day to help identify the best plan for them. Contact us today for a free consultation.

[VenturesLawFirm.com](http://VenturesLawFirm.com)

[Lzabawa@VenturesLawFirm.Com](mailto:Lzabawa@VenturesLawFirm.Com)

**LEARN MORE**





VENTURES**LAW**

This is general information. I am a lawyer, but I am not your lawyer, at least not yet. I would love to have an individualized conversation about your estate planning needs and goals. This should not be construed as specific legal advice, nor does use of this e-book constitute an attorney client relationship.

