



## **The Estate Planning Process — What to Expect at Hill Ward Henderson**

Whether you have an existing estate plan or you are brand new to the process, estate planning can be confusing. Misconceptions abound. This short guide is designed to help you understand exactly what estate planning is, explain how we approach the process, and answer some common questions.

### **What is estate planning anyway?**

Broadly speaking, estate planning involves documenting your intentions ahead of time so that in the event of your incapacity and following your death, your affairs are carried out by the persons you choose and in the manner you desire. Based on our many years of experience, we can advise you regarding what documents your estate plan should include, how to best minimize the court's involvement, how to address federal transfer tax considerations, how to protect your estate from creditors, and a myriad of other details that go into a comprehensive estate plan.

We typically address estate planning in two phases. The first phase is to ensure that you have fundamental documents in place that meet your current objectives. A revocable trust agreement is commonly a centerpiece of fundamental estate planning documents, though not always. All estate plans will typically include a last will and testament, living will, designation of health care surrogate, durable power of attorney, and declaration naming preneed guardian. With revocable trust-based estate plans, an important component of this first phase is to "fund" the revocable trust by transferring assets to the revocable trust.

For larger estates, a second phase of estate planning is required. This second phase involves analyzing and implementing a variety of more complex techniques designed to transfer wealth in a tax efficient manner to the next generation and beyond. At this stage irrevocable trust agreements and entities are layered onto and coordinated with the fundamental estate planning documents.

### **What can I expect at the initial meeting with my attorney, and how can I best prepare?**

Our clients have varying degrees of estate planning in place. Some may have no estate planning in place at all. Some have outdated documents that are no longer relevant. Still others may have multiple trusts and entities already established by us or other law firms. At the initial meeting we typically review any documents that are already in place, discuss your family and objectives, review your assets, and give you our initial recommendations.

We have developed a tool called the Estate Planning Questionnaire ("EPQ") to help us make the most of this meeting. The EPQ is simply a way for us to gather your family's current personal

data and asset information. The best way to prepare for the meeting is to have the EPQ completed ahead of time and to bring the completed EPQ and copies of your current estate planning documents (if any) and the details for each of the assets you own to the meeting (including your most current account statements, annual statements for life insurance, deeds for real estate, and operating agreements for any closely held business interests).

### **Why do you need my asset information?**

Estate planning is only partly driven by the documents we prepare. The other component of estate planning is how your assets are titled. For example, a Will governs only those assets that are titled in the decedent's individual name. A trust agreement governs only those assets that are titled in the name of the trust. The extent to which we need to be concerned with the federal transfer tax depends directly on the value of your assets. Simply put, estate planning cannot be accomplished without understanding the details of the assets you own or control.

### **How do you charge for estate planning work?**

We charge hourly for estate planning services at our standard hourly rates, including the time that we spend at the initial meeting. Each family's objectives are different and require customized solutions. We recognize, however, that you would like to have some range of the fees that will be charged for the solutions that we recommend, and we will give you such a range following the initial meeting. Our fees to prepare the fundamental documents required for a revocable trust based plan for a married couple, for example, typically fall in the range of \$4,000 to \$5,500. Will based plans can usually be completed for less than that, and more complex estates may take more in time and fees.

### **How can I keep my legal fees to a minimum?**

We are conscientious of the desire to keep your legal fees down. Rest assured that our experience and the depth of our group allow us to prepare documents and render advice on a very efficient basis. Some estate plans are more complex than others and require more time. There are some ways that you can help us keep the process running smoothly and efficiently. Preparing for meetings by providing the information we request ahead of time cuts down on follow up time. When we send draft documents and correspondence, review them and get back to us as soon as you can. If too much time passes, you may forget some of the issues we addressed.

### **What role do my other professional advisors play in the estate planning process?**

We are pleased to be a part of your team of professional advisors. Your financial advisor and accountant are important members of that team. That's why we ask about those advisors on the EPQ. With your permission, we may communicate with them at various points in the process. Estate planning is most successfully accomplished when all of your advisors are aware of the estate planning structures in place so that the estate planning, investment advice, and income tax planning are coordinated. The level of involvement of the team will vary from case to case, depending on the estate planning objectives.

### **How often do I need to review my estate plan?**

Don't forget that estate planning is a process not a one-time transaction. When laws or family circumstances change, give us a call to schedule a review of your estate plan. We recommend that you review your estate plan at least every five years – sooner if laws or circumstances change.

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We appreciate the opportunity to handle your personal legal matters, and we take this responsibility seriously. We commend you on addressing these important issues. If you have any further questions about the estate planning process, please let us know.