



Starting to plan your estate

UNIVERSITY OF MINNESOTA

An estate plan allows you to name the people or organizations who will receive your assets. If you do not have an estate plan, state law will determine the distribution of your assets, regardless of your wishes or the needs of your loved ones.

Estate planning may seem like a daunting task, but it doesn't have to be. This guide provides some ideas and information to help you begin your planning.

QUESTIONS TO CONSIDER

As you start to plan your estate, consider the following questions:

What do I want to accomplish with my estate plan?

Whether your goal is to take care of your loved ones, preserve your assets, or plan for gifts to your favorite charitable organizations, a well-crafted estate plan can ensure your goals are met. In drafting your plan, it is helpful to first determine your objectives.

Consider any special needs of people who will benefit from your estate. Do you need to manage the distribution of assets to minor children or others through a trust? Would you like to continue to support certain charitable organizations?

What assets do I own?

Identifying your assets and liabilities is a good next step. Your attorney may provide you with a form to collect information. You can get a head start by completing our guide: Starting to plan your estate—inventory. This guide will help you organize your estate and prepare for a meeting with your estate planning attorney.

Whom do I want to give my assets to, and for what purpose?

Think about the family members, friends, and charitable organizations that are important to you. Consider whom you wish to benefit and for what purpose.

WHOM YOU WISH TO BENEFIT	PURPOSE OF GIFT
1. e.g. grandchildren	1. e.g. college tuition
2.	2.
3.	3.
4.	4.
5.	5.
6.	6.
7.	7.
8.	8.
9.	9.
10.	10.

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Who can help me plan my estate?

It's important to have advisors to help you create your estate plan. There are legal requirements that have to be met to ensure that your goals are accomplished. Depending on the size of your estate and the assets you own, you may need to consult a financial planner, insurance agent, or trust officer in addition to an estate planning attorney. Ask your friends and relatives for recommendations or contact your state bar association for names of estate planning attorneys in your area.

Who will manage my estate?

Personal representatives, executors, and trustees often have broad discretion in administering an estate. It's important to find someone who not only understands your objectives, but also has the legal or financial skills to administer your estate. Also, consider whether you want this person to manage your affairs if you become incapacitated.

GETTING STARTED

The first step in creating your estate plan is getting started, which is often the most difficult. The language of estate planning can sometimes be a barrier to getting started. Here are some definitions that may be helpful to you:

Personal representative/executor: a person designated in a will to carry out the terms of the will and administer the estate

Probate: a court proceeding to appoint the personal representative/executor, determine the validity of a will, and administer the estate

Trust: an arrangement in which a trustee owns and manages assets for the trust beneficiaries

Trustee: the person or organization trusted to own and manage assets for the beneficiaries

Health care directive/living will: A document to direct your health providers on how to provide care to you if you're unable to communicate

Qualified retirement plan: a retirement account funded with assets that have not been and will not be taxed until withdrawn from the account

Review beneficiary designations

When it comes to planning, having a will or trust may not be enough. In fact, many of the assets you own—including retirement accounts, life insurance policies, and even some bank or investment accounts—do not pass according to the terms of your will or trust. Rather, these assets pass to the individuals or charities you have named as beneficiaries of the account, regardless of what is stated in your will or trust. As part of your planning, it is important to review your beneficiary designations to make sure your assets are going to the people or charities you want to receive them.

For assistance with this process, or for help making other gifts to the University, please contact:

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