

## Just the Basics – Estate Planning in a Nutshell

Estate planning is about putting a plan in place now for the ‘who, what and how’ of taking care of things if we die or if we become incapable of managing our own finances or making our own health care decisions. With a few basic legal documents, we create a roadmap and give the people we choose legal authority to act when they are needed.

### *This is my last Will and Testament...*

No one wants to think about dying, but most of us also don’t want the people we love to suffer more because we left them silence and uncertainty instead of a plan. We have worked hard in our lives, and there can be great satisfaction in knowing our loved ones will be taken care of.

A Will is the main legal document that comes into play when a person dies (there are also more sophisticated documents like trusts, but since we’re just talking basics here, let’s stick with the Will). The Will says who will handle the estate – this is the **executor**. The other important ‘who’ in a Will is the **guardian** for minor children. In families with two parents living together, the surviving parent is automatically the guardian; for these families, the main point of the Will is to appoint an alternate guardian in case something happens to both parents.

The Wills also says what is to happen with the estate. This how personal effects are to be dealt with, cash or charitable gifts, and which people are to inherit the **residue** – the value of the estate that is left after debts, taxes and other specific gifts. The residue is what most people think of as their estate. If the **beneficiaries** are not yet old enough to handle their own money, the Will sets out who will handle their money in the meantime (the **trustee**) and at what age the money is to be paid out to beneficiary.

### *Taking care of the bacon – Powers of Attorney*

The enduring Power of Attorney is the main legal document for dealing with property and legal affairs. It gives the person named, called the **attorney**, the power to deal with your home, property, bank accounts and investments as if they were you. A Power of Attorney can be very specific or general, and can be made effective immediately or only down the road in specific situations. A Power of Attorney is a very powerful document, and it is essential that the attorney be completely trustworthy, as well as organized and reliable.

Many people do not realize that without a Power of Attorney, their spouse or another family member needs to bring a court application to get the legal authority to manage finances if needed.

### *Taking care of me – the Representation Agreement*

A Representation Agreement is the main legal document in BC for dealing with health and personal care decisions. It gives the person you named, called the **representative**, the power to make decisions for you about medical care and personal care if you are no longer capable of making those decisions for yourself.

Most people have heard of ‘living wills’ to express their wishes about end of life and to let loved ones know at what point they do not want heroic measures taken to prolong life. This language is very often included in a Representation Agreement so that the representative knows what your wishes are and will follow them.

