

Estate Planning Overview

Generally. Estate Planning provides two functions. First, if you become incapacitated, it designates who your agents should be to act for you, making a Guardianship Court proceeding unnecessary, and avoiding substantial expense. Second, if you pass away, it assists your family and/or friends in determining how to distribute your assets according to your wishes.

Documents. Usually, a standard estate planning “package” contains three documents: a Will, a Power of Attorney for Health Care, and a General Durable Power of Attorney. When you complete a basic will and basic powers of attorney, the preparation of those documents can be fairly inexpensive. However, if you need a very personalized, intricate will or power of attorney with more complicated provisions, the cost will increase. More information about these documents appears below.

Will. A will is a document with which most people are familiar. A will sets up who will settle your affairs after you pass away, and what property goes to whom. Having a will saves time and money in the administration of your estate in a number of ways. First, for those individuals dying without a will, the Courts in Wisconsin usually require that a bond be posted by the proposed Personal Representative (sometimes referred to as the “Executor” in other states). The cost of the bond will be borne by the Estate of the Deceased Individual (“Decedent”), but in the end, that leaves less money for your family to receive. Generally, bonds range in price from \$400 upward, depending on the size of the Estate, so for this reason alone, it is best to have a will in place. Second, the administration of an Estate is greatly simplified by the fact that the Will lays out to whom assets should be transferred. It ensures the Decedent that his or her wishes will be respected, rather than having their property divided according to the Statutes for the State of Wisconsin. The Will serves several other purposes, which we can discuss when we meet.

Power of Attorney for Health Care. This is a document which appoints an Agent to make health care decisions for a person who has become incapacitated. Having this document in place relieves your family or friends from having to go to the Court to be appointed to make your health care decisions for you.

General Durable Power of Attorney. This document allows your Agent to make financial decisions for you. It is generally only used when you are unable to manage your financial affairs yourself.

Conclusion. A little bit of Estate Planning goes a long way, and is much more cost effective than the alternative. Spending a small amount of money on the front end is always better than spending a lot on the back end through a Guardianship Court Proceeding or a Formal Probate.

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