

Estate Planning 101

Revocable Living Trust - Creates an immediate home for your assets while you are still alive. Any assets in the trust are then controlled by yourself or an appointed trustee. This allows those assets to be distributed without going through probate and without creating a public court record. This trust is flexible, allowing changes while you are alive and the appointment of co-trustees to help you manage your assets.

Pour-Over Will - Designed to catch any assets not currently in your trust, ensuring they are included in the original living trust for distribution

OR

Will - Appoints a personal representative (executor) to administer your assets when you are deceased. A will must go through probate, a process where the validity of the will is confirmed but court and attorney fees are charged. Most of the assets are frozen until this validation is complete. This is a necessary document for appointing a legal guardian for minor children.

Beneficiary Deed – Specific to real estate where multiple people will benefit from the sale or ownership. Allows you to specify who will inherit your real estate (preventing probate) and generally take precedence over a will.



Incentive Trust - Allows you to set specific parameters and conditions for when and how your beneficiary receive their inheritance. This greater control is often used to encourage certain behavior, such as going to college, raising a family or showing financial responsibility

Living Will - Details how long you want to be kept alive after severe brain injury and living in a coma. Also referred to as a “pull the plug” document.

Power of Attorney - Appoints someone to act on your behalf in either financial decisions or medical decisions. A **medical power of attorney** grants control over treatment received and end of life decisions. A **financial power of attorney** grants control over buying or selling investments, real estate and any other assets. These powers can take effect immediately or upon incapacitation.



Beneficiary Accounts - Certain accounts such as life insurance proceeds, 401k plans, individual retirement accounts, pension plans and medical savings accounts transfer to whoever is designated on the account. This supersedes what is specified in the will and does not go through probate.

Limited Liability Corporation (LLC) – Creates a legal entity that shields you by decreasing your liability to only whatever is held in the LLC. Very important for rental properties and business in order to protect some of your assets from lawsuits and judgements.

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