

# Protection Strategy Checklist

First Name: \_\_\_\_\_ Last Name: \_\_\_\_\_

Email Address: \_\_\_\_\_ Phone: \_\_\_\_\_

- I have a valid, enforceable Last Will and Testament according to the laws of the state in which I live.
- I have a Living Will. I have assigned a legal financial guardian (trustee) and designated 2 alternates who will make financial decisions in the event that I become incapacitated.
- I have enough life insurance to fully protect my family.
- I have a formal succession plan for the disposition of all business interests.
- I am confident that my assets will be passed to my heirs without being unnecessarily encumbered by estate and income taxes, settlement costs, and other expenses.
- I have assigned Legal Guardianship to care for my minor children. Additionally, I have designated 2 alternates.
- I am prepared for the potential financial obligations associated with the care of my parents.
- I have an emergency fund with sufficient assets in highly liquid accounts.
- I am prepared for medical emergencies. I am properly insured in the event of a debilitating illness, serious injury or permanent disability.
- I am able to give approximately 10 percent or more of my income to responsible, accountable charities each year.

## Plan Today

One of the greatest gifts you can leave your survivors is an organized estate. Your estate is all the property you own - cash, clothes, jewelry, cars, houses, land, retirement, investment and savings accounts, etc. The federal estate tax is collected on the transfer of a person's asset to his or her loved ones after death. The top federal estate-tax rate is now 40%, up from 35% in 2012. The federal estate-tax exclusion is \$5,250,000. Transfers from one spouse to the other typically are tax-free.

## Definitively state who should receive your assets

- |   |   |
|---|---|
| <input type="checkbox"/> Custom Home              | <input type="checkbox"/> Watercraft and Yachts                      |
| <input type="checkbox"/> Multiple Homes           | <input type="checkbox"/> Aircraft and Aviation                      |
| <input type="checkbox"/> International Property   | <input type="checkbox"/> Antiques                                   |
| <input type="checkbox"/> Fine Art                 | <input type="checkbox"/> Collector Vehicles                         |
| <input type="checkbox"/> Jewelry and Collectibles | <input type="checkbox"/> Automobiles registered in different states |

If you could leave your heirs any amount of money, what specific dollar amount per heir would you choose?

Heir		Amount	
1		\$	
2		\$	
3		\$	
4		\$	
5		\$	
6		\$	

## Documents you may need to complete the tasks

- |  |  |
|--|--|
| <input type="checkbox"/> Death Certificates (10 - 15 certified copies) | <input type="checkbox"/> Honorable Discharge Papers for a Veteran and/or V.A. Claim Number |
| <input type="checkbox"/> Social Security Card                          | <input type="checkbox"/> Deed and Titles to Property                                       |
| <input type="checkbox"/> Marriage Certificate                          | <input type="checkbox"/> Stock Certificates  |
| <input type="checkbox"/> Birth Certificate                             | <input type="checkbox"/> Bank Books  |
| <input type="checkbox"/> Birth Certificate for each child              | <input type="checkbox"/> Insurance Policies  |
| <input type="checkbox"/> Recent Income Tax & W-2 Forms                 | <input type="checkbox"/> Automobile Title and Registration Papers                          |

## Financial Information

1. If desired, you may estimate the liability on each asset at the projected time of the surviving spouse's demise.
2. J for Joint Tenancy ; C for Community Property; H for Husband; W for Wife.
3. Enter the rate at which you feel the asset will increase in value. For example: Cash in Bank - 5%; Home - 8%; Autos.
4. Enter a Y if the asset could be easily and quickly sold for its true market value and the proceeds used to pay estate settlement costs.

\* Reserved for planner at Goodwin Financial to use regarding probate administration.

Assets	Market Value	Liability		Owner	Growth	Liquid	*
		Currently	At 2nd Death				
Residence							
Other Real Estate							
Stocks & Bonds							
Business Interests							
Cash In Banks							
Notes Receivable							
Autos & Boats							
Furniture & Furnishings							
Personal							
Retirement Plan- Vested							
Death Benefit							
Other Assets							
Unsecured Debt							
Total Values							

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Policies Inside the Estate							
Insured	Owner (H/W)	Beneficiary	Company Name or Policy #	Face Amount (\$)	Cash Value (\$)	Policy Loans (\$)	*
Husband 1							
2							
3							
4							
5							
Wife 1							
2							
3							
4							
5							
Survivor 1	Both	Other					
2	Both	Other					
3	Both	Other					
Policies Outside the Estate (e.g. owned by an Adult Child, Irrevocable Trust, etc.)							
Insured	Owner (H/W)	Beneficiary	Company Name or Policy #	Face Amount (\$)	Cash Value (\$)	Policy Loans (\$)	*
Husband 1							
2							
3							
4							
5							
Wife 1							
2							
3							
4							
5							
Survivor 1	Both	Other					
2	Both	Other					

## **Over 18 and Unmarried**

Although your sizable estate may not incur a tax consequence, you need to execute five documents:

1. Make or update your will. A will allows you to determine what happens to your money and possessions when you die, and who becomes the guardian of your minor children. Otherwise, state laws and courts make those decisions for you.
2. A living will. This document can speak for you by outlining the medical procedures you become too ill to state your wishes yourself.
3. Create durable powers of attorney. These documents allow you to appoint someone to make decisions on your behalf if you become incapacitated. There are two types: one to deal with your personal, legal and financial affairs, and another to deal with health-care decisions.
4. HIPAA release form. Health Insurance Portability and Accountability Act, or HIPAA, release allows your designated agent to discuss your medical condition without violating patient privacy laws. Without those documents, your loved ones may be forced to go to court to seek guardianship over you to assert those controls.

5. Create a letter of instruction. This document provides a list of instructions for your survivors to follow. For example, it can spell out funeral wishes, people to contact, and where your will and other key papers can be found. It also can provide information about your financial accounts and activities.

## **Married**

If you own a home, purchase enough life insurance to pay off your mortgage if one spouse dies. Life insurance provides an immediate source of cash that can be exempt from federal and state income tax. It is important to review your ownership, beneficiary and coverage amount every two or three years to insure your policies still reflect your needs and wishes. Health savings accounts (HSA) and flexible spending accounts (FSA) sometimes have a beneficiary, as do bank accounts payable on death. Also, specify the person you'd like to make financial and medical decisions on your behalf if an accident incapacitates you and your spouse.

## **Parenting**

Update your will to nominate a guardian to step in if you and your spouse pass away. A trust allows you to appoint a trustee to handle any money your child inherits and specify at what age your child can receive the money. Assign a separate guardianship nomination -- sometimes called an emergency guardianship proxy -- nominates a guardian to care for your child if both parents are incapacitated. As you reach your 40s and 50s, consider purchasing long-term care insurance, which covers the cost of a nursing home or long-term health care.

## **Golden Years**

Review your life insurance. You may wish to reduce coverage if your children are grown. Also, review designations on your durable power of attorney, health care proxy, and HIPAA release. Review your pension plan's survivor benefits. A plan offered through your employer or the military's Survivor Benefit Plan (SBP). SBP choices made at retirement can be changed if you divorce or marry. Also, the government periodically offers open enrollment periods that enable the plan owner to make changes. Funeral preplanning can relieve stress on your survivors and give you control over the ultimate cost of your funeral.

## **Organizing Financial Records**

NOTE: If you store any of the following information on your computer, make a list of all passwords, indicate where any diskettes are stored and where the information can be found.

1. Create a list of financial accounts. List account numbers and pertinent information about your investments, bank accounts, insurance policies (life, disability, homeowners, credit and life) and other financial matters.
2. List the location of valuable documents. Your list might include deeds, car titles, military records, birth and marriage certificates, divorce decrees and estate planning documents.
3. List your personal data. This can include your Social Security number, driver's license number, VA claim number, your date of birth and the names and phone numbers of family members.
4. Make arrangements for access to your safe-deposit box. In many states, safe-deposit boxes are closed upon death and are not opened until probate. Make sure copies of your will and other important documents are available outside of your safe-deposit box.
5. List loan payments. This listing should include information about credit cards, mortgages, consumer loans, and auto and personal loans.

5. Calculate your net worth, including life insurance proceeds. A tax advisor can help determine necessary steps to minimize or eliminate the impact of federal and state estate taxes.
6. Establish a trust if appropriate. A trust is a legal entity that holds property designated by you for the benefit of you and your beneficiaries. For example, you might need to set up a trust if you name minor children as your life insurance beneficiaries (important if they are legally too young to receive proceeds directly).
7. Review your IRA, 401(k) and other retirement plans for beneficiary arrangements and benefits.
8. Make arrangements for the orderly transfer of business assets. Business owners can predetermine what will happen to assets through legal agreements (buy-sell arrangements) and life insurance on business partners. Definitely state who should receive your assets.

### **Checklist After Death**

1. Call the funeral home you have selected. If you have not chosen a funeral home ahead of time, the National Funeral Directors Association can give you information on funeral homes. Obtain 10-15 copies of the Death Certificate from your funeral director.
2. If your loved one was receiving Social Security benefits, notify your local Social Security office of the death, since these benefits will stop. Overpayments will result in a difficult process of repayment. If you are a surviving spouse, ask about your eligibility for increased benefits. Also, check on benefits that any minor children may be entitled to receive.
3. If your loved one was a veteran, you may be able to get assistance with the funeral, burial plot, or other benefits. For information on benefits call the Veterans Administration at 800-827-1000. Also, the phone number for your local Veterans Agency is usually listed under Town Offices. You will need a copy of your loved one's discharge papers.
4. Contact the health insurance company or employer regarding terminating coverage for the deceased while continuing coverage for others covered through the policy.
5. Contact the insurance company for all life insurance policies. You will need to provide the policy number and a certified copy of the death certificate and fill out a claim form. If the deceased is listed as the beneficiary on any other policy, arrange to have the name removed.

If the deceased was working, contact the employer for information on pension plans, credit unions and union death benefits. You will need a certified copy of the death certificate for each claim.

6. Return credit cards of the deceased with a certified copy of the death certificate, or notify the credit card company if you, as the survivor, want to retain use of the card.
7. Seek the advice of an accountant or tax advisor about filing the deceased's tax return for the year of the death. Keep monthly bank statements on all individual and joint accounts that show the account balance on the day of death, since you will need this information for the estate tax return.
8. Arrange to change any joint bank accounts into your name. If the deceased's estate is in trust, check with the Trust Department or Customer Service at the bank.
9. If the deceased owned a car, transfer the automobile title into your name at the Secretary of State's Office, or if the estate is probated, through Probate Court.
10. Arrange to change stocks and bonds into your name. Your bank or stockbroker will have the forms.
11. Make sure that important bills, such as mortgage payments, continue to be paid.

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