

NAME: _____

DATE: _____

ACTIVITY

Estate Planning Case Files

What + Why: Estate planning is the final layer of financial protection. It ensures your assets, decisions, and the people who matter to you are provided for when you can no longer manage financial responsibilities yourself.

Instructions:

1. Review each Estate Planning Material with your group.
2. Discuss the questions together.
 - What problem appears in the scenario?
 - What role does the document play?
 - What could happen if the document is missing or outdated?
3. Write a short response for each Estate Planning Material question.

Estate Planning Material Questions

Estate Planning Document 1—Will:

- What might happen to Hollie's money and belongings, and how long might the process take?

Estate Planning Document 2—Beneficiary Designation:

- What challenges could Schuyler's spouse and children face because they are not listed as the beneficiaries on this account?

Estate Planning Document 3—Health Care Directive:

- What might happen without this document?

Estate Planning Document 4—Power of Attorney:

- Without this document, what steps might Angus's family have to take just to manage his finances and pay bills?

Key Term

- **probate:** the legal process of validating a will and transferring property after someone dies

Will

About This Document:

A will is a legal document that explains how a person wants their money, property, and belongings distributed after death.

Without a will, assets may go through a legal process called probate, where a court helps determine how property and money are distributed.

Scenario:

Hollie has spent years building savings and investments for retirement. At age 55, she unexpectedly dies without a will. She has \$47,735 in a personal investment account, a car that is still being paid off, and several valuable personal belongings.

Some family members believe the money should go to Hollie's younger sister. Others believe it should help support her children first.

Beneficiary Designation

About This Document:

A beneficiary designation is part of a will, and it names the person who will receive money from certain accounts after someone dies. A beneficiary is a person or entity (like a charity) named to receive something, such as money from a life insurance policy or possessions.

Scenario:

At age 22, Schuyler opened a 401(k) account at his first job and named his college roommate as the beneficiary. Over the years, Schuyler changed jobs, got married, and had two children, but he never updated the beneficiary information on the account.

After Schuyler dies unexpectedly, his family assumes the money from the account will automatically go to his spouse and children.

Health Care Directive

About This Document:

A health care directive explains a person's medical wishes if they become unable to communicate decisions themselves. A health care directive typically includes two components: a living will, which outlines a person's medical wishes in advance, and a medical power of attorney, which designates someone to make health care decisions on their behalf if they are unable to do so. The specific terms and structure vary by state.

Scenario:

Lux is seriously injured in a car accident and becomes unconscious. Doctors need quick decisions about medical treatment, but Lux never completed a health care directive.

Family members disagree about what Lux would have wanted. Some want every possible medical treatment used. Others believe Lux would not have wanted certain procedures.

Power of Attorney

About This Document:

A power of attorney gives another person legal authority to manage financial, medical, or legal responsibilities on someone's behalf.

Scenario:

Angus has an unexpected surgery from an accident and is unable to manage his finances independently while he recovers. Bills still need to be paid, insurance paperwork still needs to be handled, and mortgage payments are still due each month.

However, Angus never created a power of attorney document before needing help to manage these responsibilities.