

Rooted Planning Group Presents:

ESTATE PLANNING 101

Terminology for Beginners



Estate Planning - the arranging for disposition and management of someone's estate at death through the use of wills, trusts, insurance policies, and other devices

Estate - all money and property owned by a particular person

Estate Tax - a tax levied on the net value of the estate that amounts above the minimum threshold by the state of a deceased person before distribution to the heirs

Will Aka Last Will and Testament - A legal declaration of a person's wishes regarding the disposal of his or her property or estate after death

Living Will - a written statement detailing a person's desires regarding their medical treatment in circumstances in which they are no longer able to express informed consent, especially an advance directive.

Beneficiary - the person designated to receive the income of an estate that is subject to a trust; a person to receive proceeds or benefits. Beneficiaries are typically assigned within life insurance policies, retirement assets (401K, IRA), investments, real estate bank/brokerage accounts, etc.

Executor - a person who is responsible for making sure all assets within the will are accounted for. In addition, this person is responsible for transferring these assets to the appropriate party as designated by the deceased

Trusts - an arrangement whereby a person (trustee) holds property as its nominal owner for the good of one or more beneficiaries. A

Living Trust- can be open prior to or post death for a trustee.

Revocable Trust- A living trust that can be changed

Irrevocable Trust- a living trust that can rarely be changed

Testamentary Trust- established after the death of the grantor through the will

Probate - the official proving of a will; the will is reviewed to determine validity. According to Investopedia.com, probate also refers to the general administering of a deceased person's will or the estate of a deceased person without a will.

Guardianship - a person who is appointed to obtain custody of a minor child, protect the child's emotional and financial well-being, provide growth and protection to the child, and maintain assets left in their name.

ESTATE

WILL & POWER OF ATTORNEY

BENEFICIARY AND EXECUTOR

TYPES OF TRUSTS

PROBATE

PARENTAL GUARDIANSHIP