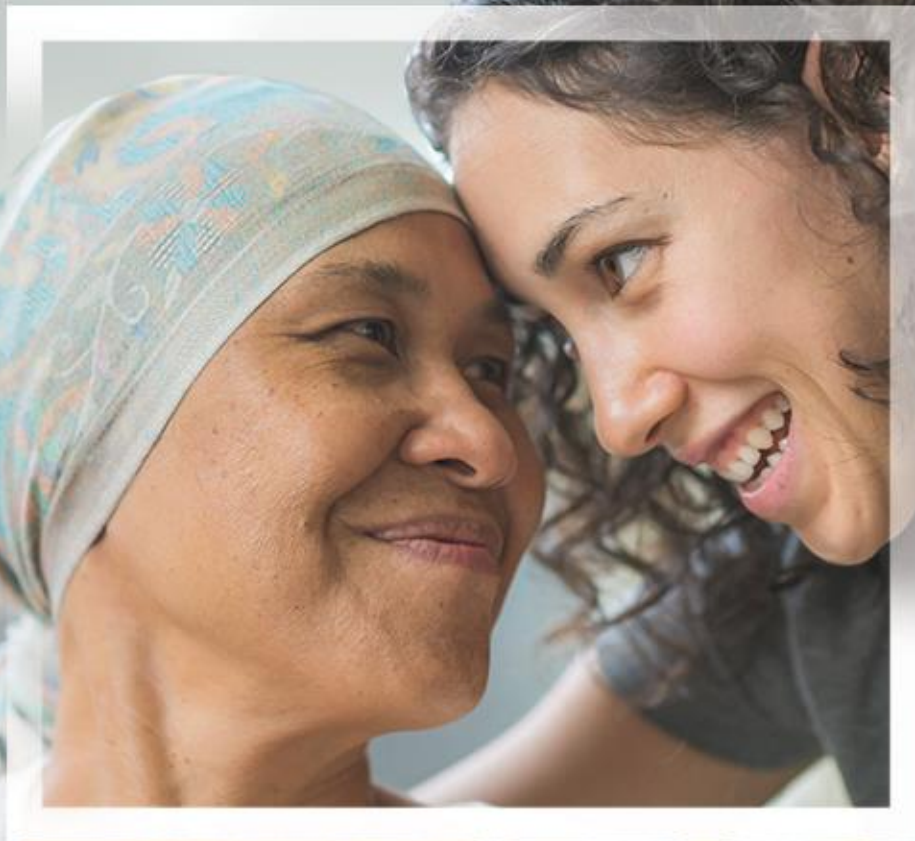


Why do I need an Estate Plan?

May 2020

Mercy Health Foundation Northwest Arkansas





Mercy⁺
Health Foundation

WELCOME

- All participants are muted
- With questions, please utilize live chat or email the Foundation at nwa_mercy_foundation@mercy.net.

Note: this session is being recorded.

Planned Giving Committee Members:

Mark Chambers, Craig Cockrell, Luke Davis, Jennifer Gray, Bert Kell, Jodie Kelley, Loriane Pickell, Dave Proffitt, Shelley Smart, Vicki Vasser-Jenkins



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PANEL OF EXPERTS:

- **Bert Kell**
Arvest Trust Company
- **Craig Cockrell**
Mitchell, Williams, Selig, Gates & Woodyard, PLLC
- **Jennifer Gray**
Watkins, Boyer, Gray & Curry, PLLC
- **Jodie Kelley**
Kelley Law Firm

WHY DO I NEED AN ESTATE PLAN?

CRAIG COCKRELL

- Naming recipients of your assets upon death
- Nominating someone to help transfer your assets
- Naming guardians for minor children
- Management of assets for children after death
- Avoiding Probate and other legal pitfalls
- Naming individuals to care for you and your finances if you become incapacitated
- Estate tax planning

** With questions, please utilize live chat or email the Foundation at nwa_mercy_foundation@mercy.net.*

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COMMON ESTATE PLANNING TOOLS

CRAIG COCKRELL

- Last Will and Testament
- Trusts
- Joint ownership
- Beneficiary designations
- Durable Powers of Attorney
- Health Care Powers of Attorney
- Living Wills

** With questions, please utilize live chat or email the Foundation at nwa_mercy_foundation@mercy.net.*

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WHAT IS A WILL?

CRAIG COCKRELL

- A Last Will and Testament (Will) is a legal document stating to whom you wish to leave your assets at death.
- Also nominates an “executor” or “personal representative” – the person who will be in charge of your estate upon death
- May also nominate a guardian for minor children
- Wills must be admitted to probate to be effective

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WHAT IS A WILL?

CRAIG COCKRELL

- Wills provide a relatively inexpensive option for leaving assets to children, but require probate at death
- Typically, Wills include trust language for minor children or other incapacitated beneficiaries (“Testamentary Trust”)
- Avoids the need for a court-appointed guardian or custodian to manage assets for minor children
- Jointly owned property or assets with beneficiary designations are not transferred by a Will

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WHAT IS PROBATE...AND SHOULD I AVOID IT?

CRAIG COCKRELL

- Legal proceeding to transfer assets to beneficiaries
- Conducted through local court
- Public record
- Time consuming (minimum of 6 months in Ark.)
- Can be expensive (legal fees, executor fees)
- Wills must be admitted to probate to be effective

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WHAT IS A TRUST?

CRAIG COCKRELL

- Agreement between the creator (“grantor” or “settlor”) and a “trustee” to hold, manage and distribute the creator’s assets
- Grantor may transfer assets to the trustee “in trust” during the grantor’s life or upon death, by way of beneficiary designations
- **Any assets held in trust are not required to go through probate**

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WHAT IS A TRUST?

CRAIG COCKRELL

- Trusts are a very common estate planning tool
- Most common type of trust for estate planning is called a “Revocable Trust” or “Living Trust”
- Advantages over Wills:
 - **Probate avoidance**
 - Better for tax planning
 - Better for managing and protecting assets if one or more spouses become incapacitated
 - More detailed management and distribution provisions for spouses, children or other beneficiaries

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HOW TO AVOID PROBATE (WITHOUT A TRUST):

CRAIG COCKRELL

- Jointly owned property (“joint tenants with right of survivorship”)
 - Typical ownership for married couples of real estate, bank accounts, and investment accounts
- Beneficiary designations
 - 401(k)s, IRAs, life insurance, investment accounts, business ownership interests, bank accounts, etc.
- Beneficiary deeds for real estate

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WHAT ARE ADVANCED DIRECTIVES?

JENNIFER GRAY

- Durable Power of Attorney (financial)
- Health Care Power of Attorney
- Living Will

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WHAT DO THEY DO?

JENNIFER GRAY

- Advanced directives appoint another person (someone you trust) to make decisions for you and take actions on your behalf if you are unable to do those things for yourself
- If durable, they survive (can be used) even after you become incapacitated (Alzheimer's, dementia, stroke, etc.)
- They must be used to advance your best interests
- They terminate at your death

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WHY DO I NEED ONE?

JENNIFER GRAY

- If you become incapacitated (Alzheimer's, dementia, stroke, etc.), someone will need to be able to pay your bills, talk to the insurance company, make investment decisions, etc.
- Your spouse cannot automatically do these things for you in many instances
- Without advanced directives, if certain decisions must be made or actions taken, your loved ones may have to apply to the Court for a guardianship – this takes time and costs money

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THE ESTATE PLANNING PROCESS

JODIE KELLEY

1. Consultation and advice – discussing your assets and family dynamic with an attorney and choosing the right plan for you.
2. Documents – Preparing, reviewing, and executing the various legal documents.
3. Asset Transfers – Maybe the most important part. A good estate plan requires follow through by updating beneficiary designations and properly re-titling assets to your trust.
4. Administration – Carrying out the plan upon death.

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HOW DO I GET STARTED?

JODIE KELLEY

- Find a local attorney that specializes in estate planning. Referrals from accountants, investment advisors and friends may be more reliable than Google.
- Online services (Legalzoom, etc.) – affordable option for basic plans and for implementing Steps 1 and 2.
 - May not be best option for more complex planning or for assistance with following through and administration of the plan upon death.

** With questions, please utilize live chat or email the Foundation at nwa_mercy_foundation@mercy.net.*

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Thank You for Joining Us!

Look forward to seeing you at a future seminar.

Planned Giving is a Charitable Giving opportunity and Mercy would be glad to discuss avenues in which to support healthcare initiatives.

Mercy Health Foundation Northwest Arkansas
2710 Rife Medical Lane | Rogers, AR 72758
479-338-2990 | nwa_mercy_foundation@mercy.net



Mercy Health Foundation
invites you to join us for a
virtual Speaker Series:

Estate Planning *for all stages of life*

Thursday, May 21, 2020 | Noon
Why do I need an Estate Plan?

Thursday, May 28, 2020 | Noon
Wills vs. Trusts

Thursday, June 4, 2020 | Noon
Advance Directives/Powers of Attorney

Thursday, June 11, 2020 | Noon
The Rest of the Story

We're Virtual!
RSVP to nwa_mercy_foundation@mercy.net or call
479-338-2990. Upon registration, participants will
receive virtual event details.



Together we
can touch more
lives. Save
more lives. And
improve more
lives.