

# THE YEAR OF ESTATE PLANNING

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It is the year of Estate Planning, and we are excited to work with you and share information about this important aspect of your overall financial plan.

We know the term estate planning covers a wide range of topics and can be a bit overwhelming to get one's arms around. After all, estate planning may include discussion of any or all the following:

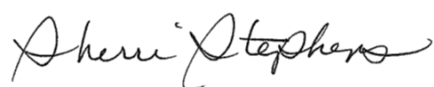
- Wills
- Beneficiaries
- Trusts
- POA's
- Taxes
- Charitable Giving Strategies

We have a webinar planned for late winter that features Cameron Huddleston, author of, "Mom and Dad, We Need to Talk: How to Have Essential Conversations with Your Parents About Their Finances." Whether you are an adult child or a parent (or both), this webinar will provide information on how to plan for and discuss matters of money, health, and more **before** a life changing event occurs.

**Estate planning is complicated....and we are here to help.** Our goal is to provide you with estate planning education, tools, and a little more peace of mind by the end of 2024. On the next page we detail important information to get you started.

We hope that this seems like an intelligent approach to our work with you and welcome input you may have.

Sincerely,



**Sheryl Stephens**  
Lead Wealth Advisor and CEO/President  
Stephens Wealth Management Group



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**A will, trust and estate plan** are legal tools that help manage and distribute assets and property after a person's death. Each serves a distinct purpose and addresses different aspects of estate planning.

### What is a WILL?

A will, also known as a last will and testament, is a legal document that outlines how a person's assets and belongings should be distributed after their death. It allows the individual to name beneficiaries who will receive assets, as well as appoint an executor who will oversee the distribution process. A will can also include other important provisions such as guardianship for minor children and funeral arrangements. **A will only takes effect after an individual's death and must go through the probate process, which is the legal procedure to validate the will and administer the estate.** A will typically appoints an executor who is responsible for carrying out the deceased's wishes, paying outstanding taxes and debts, and distributing any remaining assets to the deceased's heirs.

### What is a TRUST?

A trust is a legal arrangement in which an individual, known as the grantor or settlor, transfers assets to a trustee to manage and hold for the benefit of one or more beneficiaries. Trusts can be revocable or irrevocable, meaning the grantor may (revocable) or may not (irrevocable) modify or terminate the trust once it is established. **Trusts may be more complex than wills** but can offer other benefits. These include the **potential to avoid probate court, providing privacy, and allowing for more control over the distribution of assets.** They can also be used for specific purposes like managing assets for minor children, ensuring ongoing care for dependents with special needs, or philanthropic endeavors. **Trusts are particularly useful for individuals with significant assets, complex family dynamics, special needs dependents, or when privacy is important.**

### What is an ESTATE PLAN?

An estate plan brings together, as needed, a will, one or more trusts, and other legal documents, such as powers of attorney and advance healthcare directives. **It considers an individual's entire financial and personal situation, as well as their goals and wishes for their estate after death. An estate plan is tailored to each person's situation and aims to minimize taxes, simplify the distribution process, and protect assets.** It can also include strategies for incapacity planning and ensuring that someone can make financial and medical decisions on your behalf. **Having an overall estate plan is especially important for individuals with sizable estates or specific needs, such as blended families or charitable giving desires.** An estate planning attorney generally leads the creation of a will and trust.

### What is a TRUST COMPANY?

A trust company is a company that acts as an agent or trustee on behalf of a person or business. **Their job is to administer, manage, and distribute the assets of a trust according to the trust document.** Instead of having one individual be your trustee, a trust company is a corporate entity that can act as the trustee. They have experience and likely have access to many products and services. Typically, a trust company is paid a fee out of the trust assets for their services. They can also settle estates and are required to be a fiduciary, meaning they act on your behalf.

### What is a TRUSTEE?

A trustee is the person or entity (see What is a TRUST COMPANY?) that manages the assets within your trust. Being selected as a trustee is a tribute to your good judgment - a show of confidence that comes with **potentially time-consuming responsibilities and a certain amount of liability. A trustee has several fiduciary duties and decisions to make on behalf of a trust.** Some of the liabilities include breach of duty to be impartial to all beneficiaries under the trust document, improper administration and lack of policies and procedures that govern the trust, failure to keep all beneficiaries informed of the trust and its administration, and failure to provide principal and income trust accounting as required by law.

There are many trustee responsibilities, including: invest trust assets, collect income and dividends, pay bills and expenses of grantor and/or beneficiaries, issue tax reports to beneficiaries, and issue regular statements of account to the grantor and/or beneficiaries.

We strongly encourage you to carefully consider the role of trustee and its requirements before agreeing to take on the role.

### What does it mean to have POWER OF ATTORNEY (POA)?

It means that someone has granted you the legal authority to act on their behalf and make decisions on specific matters or manage their affairs. The person serving as a POA does not need to be an actual attorney. A scope is given to this authority, broad or limited. **There are several types of POAs, including healthcare and medical.** The designation of POAs may be done in the process of working with an attorney to develop an overall estate plan.

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*We hope providing a definition of these terms is of help. Follow along throughout the year as we provide more information and engage you in conversation around estate planning topics.*

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