The Family Love Letter™

Key to the Execution of Your Estate Plan
Created by John J. Scroggin, J.D., LL.M
This presentation is for informational purposes only and should not be relied upon for tax or legal advice. Please consult your tax and/or legal advisors regarding your particular circumstances.

Life insurance and annuity products are issued by AXA Equitable Life Insurance Company (New York, NY 10104) and co-distributed by affiliates, AXA Advisors, LLC and AXA Distributors, LLC. AXA Equitable, AXA Advisors and AXA Distributors do not provide tax or legal advice.

Please be advised that this document is not intended as legal or tax advice. Accordingly, any tax information provided in this document is not intended or written to be used, and cannot be used, by any taxpayer for the purpose of avoiding penalties that may be imposed on the taxpayer. The tax information was written to support the promotion or marketing of the transaction(s) or matter(s) addressed and you should seek advice based on your particular circumstances from and independent tax advisor.

John J. Scroggin, J.D., LL.M is not affiliated with AXA Advisors or its affiliates.
Purpose of Estate Planning
Purpose of Estate Planning

Misconceptions:

- Not just for the rich
- Not just for the old
- Not fundamentally about death and taxes

Purpose is to provide a legacy for the living
Purpose of Estate Planning

Two principal elements of estate planning:

- Execute documents that provide for death and/or incapacity
- Provide information relating to your assets, liabilities and wishes
Purpose of Estate Planning

Results of failure to plan:

- Can create confusion, family conflict
- Can lead to dissipation of assets, disposition of property against wishes
- Can cause payment of excess income and estate taxes
The Family Love Letter

Compilation of all the information your family will need at the time of your death, or if you should become incapacitated due to illness or injury

An inventory with contact information/locations:

- All your financial papers
- All your estate papers
- All your personal papers

Information at a time of sorrow and confusion
Provide information at a time of confusion

- Investing and planning are not enough if no one knows about it
- Lack of information adds to distress
- Time searching for contact information, documents
- Unknown policies, accounts can be lost
Contents

Information can be organized in four sections:

- Advisors and Financial Information
- Insurance and Benefits
- Documents and Other Information
- Family History and Ethical Will
Advisors & Financial Info

**People, documents/contracts/deeds, locations,**

- **Attorneys, Advisors, Agents, Brokers**
  - All contact information

- **Investment Strategy & Assets**
  - Investments, retirement accounts, e.g., IRAs, 401(k), Social Security benefits, property, bank accounts, debts owed to you

- **Frequent Flier Miles**
  - Airline, number, totals as of (date)

- **Liabilities**
  - Loans and financial obligations (mortgages, bank or personal loans, leases, liens)

- **Credit Card Information**
  - Card types, numbers, statements, Web info, access info
People, documents/policies, locations, keys, passwords

- **All Insurance — Life, Health, Disability, LTC, Medicare/Medigap, Property (Home, Auto, etc.)**
  - Carriers, policies (# and location), face and cash values
  - Premium amount, how paid, who pays, owner, beneficiaries

- **Other Info about Insurance**
  - Premium amount and frequency, how paid, who owns policy

- **Benefits — Employment & Military**
  - Retirement plans, deferred comp, stock, insurance
  - Military pension, survivor benefits
Documents & Information

For all documents — date signed (if applicable) and location

- **Estate Planning**
  - Will, Property List, Living Will, Powers of Attorney

- **Trust Documents**
  - Insurance, charitable, minors

- **Personal & Family**
  - Birth certificate, citizenship, military discharge, marriage license, divorce decrees, and adoption

- **Property Titles & Deeds**

- **Guardianships, Trustee Information**

- **Business & Personal Tax Returns**

- **Business Ownership, Buy-Sell Agreement**
Documents to Be Created

- Will
- Personal Property Disposal List
- Living Will
- Medical Power of Attorney
- Durable General Power of Attorney
Your will is your final declaration of how your assets — and your family — should be treated after your death.

Can serve many purposes:

- Providing information about disposition of assets
- Choosing people to make decisions when you are gone
- Creating trusts for heirs incapable of managing legacy
- Providing guardians for minor children
- Minimizing state and federal estate taxes
- Reducing state and federal income taxes on heirs
- Minimizing potential sources of conflict among family members
Personal Property Disposal List

- Directs how personal property should pass
- Details, pictures
- Reference this document in will
- Especially useful for second marriages, mixed families
Living Will

Declaration that you do not desire life-sustaining treatment when there is no significant hope of recovery

- Eliminates emotional and financial costs to family
- Ensures that the decision is yours
  - Not traumatized family members
  - Not doctors
  - Not hospitals
  - Not courts
Medical Power of Attorney

Grants person of your choice power to make medical decisions for you if you are incapacitated by illness or injury

- Also known as Durable Healthcare Power of Attorney
- Deals with range of medical conditions and treatment
- Can be used in conjunction with Medical Directive created by you
Durable General Power of Attorney

Grants person of your choice power to manage your assets in the event of your incapacity due to illness or injury

- Detailed language needed to assure authority in all desired areas
- Specify triggering event
General Info

- Safes, Safe Deposits — Keys, Combinations, Access Information
- Passwords for Computer, E-mail, Internet Accounts
- Social Security Number
- Driver’s License
- Passport #
- Medicare Info
- Religious and Other Affiliations
In the Event Of...

In the event of my incapacity...

- Living Will
- Medical Directive
- Powers of Attorney
- Guardianships
- Details of Intentions

In the event of my death...

- Organ Donation
- Burial/Cremation
- Service Details — Minister/Rabbi, Readings, Pallbearers
- Obituary, Tombstone, in Lieu of Flowers
- Care of Pets
- Other Special Requests
Family History and Ethical Will

Personal Statement for the Next Generation

- Not about what’s in your bank account or portfolio
- About what’s in your heart — intangibles
- Legacy of values
After the creation of the document

- List attachments (e.g., Ethical Will, Family Info), who has copies
- Placement of document
- Family meeting — forum to discuss contents — advisor(s) present
The Family Love — Value Later, Value Now

Compiling this information can reveal gaps:

- Missing documentation
- Need to expand investments, coverage

Discussing this information can:

- Help family prepare for future events
- Create a more open atmosphere about family plans, needs and goals