



Warner Norcross + Judd LLP

## What Is Estate Planning?

- The process of organizing your affairs to ensure your wishes are carried out during your lifetime and after your death
- Protects you if incapacitated, provides for loved ones, minimizes taxes and expenses, and avoids unnecessary court involvement
- Not just for the wealthy: everyone benefits from having a plan

## How Often Should You Review Your Estate Plan?

- At least every three to five years
- After major life events: marriage, divorce, death of a spouse, birth or adoption of children/grandchildren
- After significant financial changes, health changes, or moving to a new state
- When a named fiduciary dies or becomes incapacitated
- When tax laws or other relevant legislation changes

## Key Components of a Michigan Estate Plan

### *Durable Power of Attorney*

- Appoints an agent to manage your financial affairs if you become incapacitated
- "Durable" means it remains effective even after incapacity
- Without one, your family may need a court-appointed conservator
- Do you know what "powers" you have given in your document?
- Do you know when it becomes effective?

### *Patient Advocate Designation*

- Michigan's version of a healthcare power of attorney
- Names someone to make medical decisions if you cannot communicate
- Can include instructions on life-sustaining treatment
- Must be signed by you and two witnesses

### *Last Will and Testament*

- Directs distribution of your probate assets after death
- Nominates a personal representative to administer your estate
- Nominates a guardian for minor children
- Subject to probate (court-supervised process)

### *Revocable Living Trust*

- Helps your estate avoid probate
- Provides asset management if you become incapacitated
- Offers privacy (not filed with the court)
- Can be amended or revoked at any time

### *Deeds and Asset Titling*

- Assets must be titled correctly to align with your estate plan
- Real estate and other assets generally must be transferred into a trust's name to receive trust benefits
- Michigan commonly uses quitclaim deeds or warranty deeds
- Consider uncapping and step up in basis issues
- Review beneficiary designations on retirement accounts, life insurance, and POD accounts
- Improperly titled assets can bypass your estate plan

### *Long-Term Care Planning*

- Consider resources to pay for home care, assisted living, or nursing home care
- Evaluate whether long-term care insurance is appropriate
- Explore Medicaid planning strategies -- Michigan has complex eligibility rules
- Advance planning can protect assets for a healthy spouse or heirs
- Ensure your patient advocate knows your care preferences
- Discuss your wishes with family now

### **What to Look for When Reviewing Your Estate Plan**

- Are named fiduciaries still appropriate and willing to serve?
- Are beneficiary designations on accounts and policies current?
- Are assets properly titled to work with your plan?
- Do documents reflect your current wishes for distributions and healthcare?
- Do documents comply with current Michigan law?