ONE STEP CLOSER TO DEATH AND TAXES – THE 2 CERTAINTIES IN LIFE

I. Do you need a Will?
   You may not -- but YOUR HEIRS NEED FOR YOU TO HAVE ONE.
   A. What property is affected by a Will? Generally, only that property which does not automatically pass outside of Probate
   B. Property passing outside of Probate is property with beneficiary, transfer or survivor designations (e.g., IRAs; most life insurance; POD or TOD designsations; jtwros or other jointly-held property with rights of survivorship)

II. What happens if you do not have a Will?
   A. Your property passes to your heirs under laws of intestate succession
   B. The State does not get your property unless no heirs surface after your death
   C. Some of your heirs’ problems become problems for all of your heirs

III. If you own property in Texas, do you need a Will in Texas?
   A. Only if you are a Texas resident
   B. Do not do a Will in Texas if you are not a Texas resident
   C. Consider a revocable Living Trust if you are a nonresident who owns Texas real estate

IV. What is a Living Trust?
   A. Causes property to pass outside of Probate
   B. Avoids expense of Probate on property in the Living Trust
   C. Frequently advisable for people who own real estate in more than one State

V. How is a Living Trust Different than a Living Will?
   A. “Living Will” is the Advance Medical Directive
   B. Designed to avoid the Nancy Cruzan/Terri Schiavo situations
   C. Living Will expresses your desires about extraordinary medical treatment, artificial nutrition, etc.

VI. Will the Government tax your estate and/or your heirs after you die?
   A. That depends on where and when you die
   B. Ways to minimize taxation
      - redefine state of residence, gifting within limits, entity creation

VII. The Durable Power of Attorney – Give an agent power over your property

VIII. The Medical Power of Attorney – Give an agent power over your body