

ESTATE PLANNING BASICS

A Guide to Life Organization



Alabama Cooperative Extension System
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ESTATE PLANNING BASICS: A GUIDE TO LIFE ORGANIZATION

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NOTES

Disclaimer: This resource provides the reader with basis information on estate planning & financial management. It is not a replacement for legal advice.

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PURPOSE

To provide a proper assessment of your current financial situation

Properly utilizing the guide is an important step in planning and preparing for some of life's unforeseen circumstances. After accurate completion, this guide will provide you with a precise and up-to-date account of your family's assets and liabilities. It will also provide you with the tools you need to make informed decisions on protecting your financial security.

To provide family guidance in the event of your absence or inability to make informed decisions

Begin by asking yourself the following questions:

- How easy or difficult is it for other family members to figure out your record system?
- Who besides you knows how to find the needed information about family household assets and obligations?
- Do you have a list of family advisors such as bankers, insurance representatives, employers, creditors, or debtors?

This guide will be a valuable asset to your family members in the event of your unwarranted absence. It will eliminate the stress and tediousness of effectively managing your affairs and carrying out your wishes.

To provide your attorney and financial advisors with an assessment of your estate

Often attorneys assess their fees on an hourly basis. The overall cost you will incur to retain an attorney can decrease drastically when important information is already documented, filed, and organized. The valuable information that is collected and placed in this booklet can provide your attorney or financial advisor with an overall account of your current financial standing. This booklet will save you and your attorney from wasting valuable time.

Other pertinent reasons for utilizing this booklet include, but are not limited to:

- Having easy access to pertinent information in case of an immediate evacuation;
- Protection in the event that original documents are lost, stolen, or destroyed; and
- Assistance in preparing tax returns.

LOCATION OF DOCUMENTS

Thoroughly organizing your important papers and documents could possibly be one of the most valuable investments of time you will ever make in your entire life. Records should be stored based on how often they are needed. Records utilized more frequently should be filed at home, stored in a glove compartment, or carried in a wallet. Important documents that may only be needed for special situations and are difficult to replace should be kept in a safe-deposit box or a fireproof container.

There are several different types of filing systems that people may choose to utilize when organizing their documents. In general, it is most simple to organize important papers into three different categories: current active files, permanent files, and files for safe-deposit boxes.

Current Active Files

Current active files are files that contain current transactions and records that are frequently utilized such as:

- Bank statements
- Canceled checks
- Tax forms
- Loan statements
- Current driver's license
- Car insurance cards
- Health insurance cards
- Current car registration documentation

Permanent Files

These records will generally be stored in a home filing cabinet or safe. They are very important documents that are needed as reference materials. Examples of permanent files include:

- Social security cards
- Past bank statements
- Health insurance documents
- Life insurance documents
- Employee benefits
- Past year's tax document information
- Wills

Note: Original forms of important documents such as life insurance policies and wills should be filed in a secure place within the home and not in a safe-deposit box. In the event of your untimely death, most banks seal safe-deposit boxes, and it could be awhile before it is released and the contents are delivered to the surviving owner or executive of the estate.

Files for Safe-Deposit Box

Files for safe-deposit boxes would include important documents that are hard to replace and not used on a regular basis. Examples of files for a safe-deposit box include the following:

- Real estate titles
- Vehicle titles
- Birth certificates
- Marriage certificates
- Death certificates
- Stock and bond certificates
- Military service records

Note: Copies of original files should also be kept in an easily accessible place within your home.

LOCATION OF IMPORTANT DOCUMENTS

Documents	*Location of Original/Copy
Adoption Papers	
Automobile Documentation	
Bank Statements	
Religious Documents	
Birth Certificates	
Business Agreements	
Canceled Checks	
Citizenship Papers	
Credit Card Statements	
Death Certificates	
Deeds to Property	
Divorce Papers	
Educational Transcripts	
Employee Benefit Documentation	
Health Records	
Funeral Instructions	
Income Records	
Income Tax Returns	
Insurance Policies	
Marriage Certificates	
Military Service Records	
Mortgage Papers	
Passports	
Pension Plan Records	
Receipts	
Securities	
Social Security Cards	
Stock Certificates/Bonds	
Warranties	
Wills/Estate Plans	
Miscellaneous	
Miscellaneous	
Miscellaneous	
Miscellaneous	

* Example: Safe-Deposit Box, Attorney's Office, etc.

TIMELINE FOR KEEPING DOCUMENTS

Documents	While in Use	During Ownership	3-6 Years	Permanent
Adoption Papers				
Automobile Documentation				
Bank Statements				
Birth Certificates				
Business Agreements				
Cancelled Checks				
Citizenship Papers				
Credit Card Statements				
Death Certificates				
Deeds to Property				
Divorce Papers				
Educational Transcripts				
Employee Benefit Documentation				
Health Records				
Funeral Instructions				
Income Records				
Income Tax Returns				
Insurance Policies				
Marriage Certificates				
Military Service Records				
Mortgage Papers				
Passports				
Pension Plan Records				
Receipts				
Religious Documents				
Securities				
Social Security Cards				
Stock Certificates/Bonds				
Warranties				
Wills/Estate Plans				
Miscellaneous				
Miscellaneous				

Note: Highlighted spaces denote the recommended length of time to keep documents.

ALPHABETIZED LIST OF IMPORTANT CONTACTS

Name/Address/Telephone #
Accountant:
Attorney:
Auto insurance Agent:
Banker:
Charitable Giving:
Clergy:
Doctor:
Doctor:
Employee Benefits Contact:
Estate Executor:
Financial Advisor:
Home Insurance Agent:
Home Warranty:
Life Insurance Agent:
Medical Insurance Agency:
Pension Fund:
Power of Attorney:
Stockbroker:
Stockbroker:
Tax Preparer:
Veterinarian:
Other:
Other:
Other:

PERSONAL AND FAMILY DATA

First:	Middle:	Last:
Address:		
Birth Date:	Birth Place:	
Social Security#:	Marital Status:	
Military Service#:	Veteran's Administration#:	
Occupation:	Name of Business:	
Business Address:	Telephone#:	
Spouse's Name:		
Spouse's Birth Date:	Spouse's Birth Place:	
Spouse's Social Security#:		
Spouse's Occupation:		
Business Address:		
Date and Place of Marriage:		
Child's Name:	Birth Date:	
Birth Place:	Social Security#:	
Child's Name:	Birth Date:	
Birth Place:	Social Security#:	
Child's Name:	Birth Date:	
Birth Place:	Social Security#:	
Child's Name:	Birth Date:	
Birth Place:	Social Security#:	
Child's Name:	Birth Date:	
Birth Place:	Social Security#:	

MEDICAL INFORMATION

Name:	Blood Type:
Personal Physician:	Telephone#:
Physician's Address:	
Prescribed Medicines:	
Allergies/Special Conditions:	
Name:	Blood Type:
Personal Physician:	Telephone#:
Physician's Address:	
Prescribed Medicines:	
Allergies/Special Conditions:	
Name:	Blood Type:
Personal Physician:	Telephone#:
Physician's Address:	
Prescribed Medicines:	
Allergies/Special Conditions:	
Name:	Blood Type:
Personal Physician:	Telephone#:
Physician's Address:	
Prescribed Medicines:	
Allergies/Special Conditions:	

FAMILY TREE

Man	Woman
Father	
Father's Name	
Paternal Father	
Paternal Mother	
Maternal Father	
Maternal Mother	
Sibling #1	
Sibling #2	
Sibling #3	
Sibling #4	
Mother	
Mother's Name	
Paternal Father	
Paternal Mother	
Maternal Father	
Maternal Mother	
Sibling #1	
Sibling #2	
Sibling #3	
Sibling #4	
Siblings	
Sibling #1	
Sibling #2	
Sibling #3	
Sibling #4	
Children	
Child #1	
Child #2	
Child #3	
Child #4	
Grandchildren	
Grandchild #1	
Grandchild #2	
Grandchild #3	
Grandchild #4	
Grandchild #5	

PASSPORT/DRIVER'S LICENSE INFORMATION

Name:	Name:
Passport#:	Passport#:
Social Security#:	Social Security#:
Issue Date:	Issue Date:
Expiration Date:	Expiration Date:
Name:	Name:
Passport #:	Passport#:
Social Security#:	Social Security#:
Issue Date:	Issue Date:
Expiration Date:	Expiration Date:
Name:	Name:
Passport#:	Passport#:
Social Security#:	Social Security#:
Issue Date:	Issue Date:
Expiration Date:	Expiration Date:
Name:	Name:
Passport#:	Passport#:
Social Security#:	Social Security#:
Issue Date:	Issue Date:
Expiration Date:	Expiration Date:
Name:	Name:
Passport#:	Passport#:
Social Security#:	Social Security#:
Issue Date:	Issue Date:
Expiration Date:	Expiration Date:

RECORD OF EDUCATION AND EMPLOYMENT

Name:	
School Name/Address:	
Dates Attended:	
Degree Obtained: Yes / No	Type:
Name:	
School Name/Address:	
Dates Attended:	
Degree Obtained: Yes / No	Type:
Name:	
School Name/Address:	
Dates Attended:	
Degree Obtained: Yes / No	Type:
Name:	Title:
Employer's Name & Address	
Starting Salary:	Ending Salary:
Employment Dates:	
Name:	Title:
Employer's Name & Address	
Starting Salary:	Ending Salary:
Employment Dates:	
Name:	Title:
Employer's Name & Address	
Starting Salary:	Ending Salary:
Employment Dates:	

ADVISORS

Accountant:
Address/Telephone#:
Banker:
Address/Telephone#:
Banker:
Address/Telephone#:
Clergy:
Address/Telephone#:
Clergy:
Address/Telephone#:
Physician:
Address/Telephone#:
Physician:
Address/Telephone#:
Physician:
Address/Telephone#:
Physician:
Address/Telephone#:
Physician:
Address/Telephone#:
Attorney:
Address/Telephone#:
Executor of Will:
Address/Telephone#:
Executor of Will:
Address/Telephone#:
Insurance Agent:
Address/Telephone#:
Insurance Agent:
Address/Telephone#:
Insurance Agent:
Address/Telephone#:
Stockbroker:
Address/Telephone#:
Stockbroker:
Address/Telephone#:

LEGAL AND ACCOUNTING INFORMATION

Attorney's Name:	
Firm's Name:	
Address:	
Telephone#:	E-mail Address:
Attorney's Name:	
Firm's Name:	
Address:	
Telephone#:	E-mail Address:
Executor of Will:	
Firm's Name:	
Address:	
Telephone#:	E-mail Address:
Executor of Will:	
Firm's Name:	
Address:	
Telephone#:	E-mail Address:
Accountant's Name:	
Firm's Name:	
Address:	
Telephone#:	E-mail Address:
Accountant's Name:	
Firm's Name:	
Address:	
Telephone#:	E-mail Address:

BANK ACCOUNTS

Account Holder:	
Bank Name:	Date Opened:
Bank Branch/Address:	Account Type:
Bank Telephone#:	Account#:
Account Holder:	
Bank Name:	Date Opened:
Bank Branch/Address:	Account Type:
Bank Telephone#:	Account#:
Account Holder:	
Bank Name:	Date Opened:
Bank Branch/Address:	Account Type:
Bank Telephone#:	Account#:
Account Holder:	
Bank Name:	Date Opened:
Bank Branch/Address:	Account Type:
Bank Telephone#:	Account#:
Account Holder:	
Bank Name:	Date Opened:
Bank Branch/Address:	Account Type:
Bank Telephone#:	Account#:
Account Holder:	
Bank Name:	Date Opened:
Bank Branch/Address:	Account Type:
Bank Telephone#:	Account#:

RETIREMENT ACCOUNTS

Account Holder:	Date Closed:
Institution Name:	
Institution Address:	Telephone#:
Original Deposit Amount: \$	Date Opened:
Account Holder:	Date Closed:
Institution Name:	
Institution Address:	Telephone#:
Original Deposit Amount: \$	Date Opened:
Account Holder:	Date Closed:
Institution Name:	
Institution Address:	Telephone#:
Original Deposit Amount: \$	Date Opened:
Account Holder:	Date Closed:
Institution Name:	
Institution Address:	Telephone#:
Original Deposit Amount: \$	Date Opened:
Account Holder:	Date Closed:
Institution Name:	
Institution Address:	Telephone#:
Original Deposit Amount: \$	Date Opened:
Account Holder:	Date Closed:
Institution Name:	
Institution Address:	Telephone#:
Original Deposit Amount: \$	Date Opened:

INSURANCE POLICIES

Type of Policy:	
Policy#:	Policy Value:
Agent:	Telephone #:
Company:	E-mail Address:
Address:	
Type of Policy:	
Policy#:	Policy Value:
Agent:	Agent:
Company:	Company:
Address:	
Type of Policy:	
Policy#:	Policy Value:
Agent:	Agent:
Company:	Company:
Address:	
Type of Policy:	
Policy#:	Policy Value:
Agent:	Agent:
Company:	Company:
Address:	
Type of Policy:	
Policy#:	Policy Value:
Agent:	Agent:
Company:	Company:
Address:	

SAFE-DEPOSIT BOXES

Bank Name/Branch:
Bank Address:
Box Owner:
Box#:
Box Key Location:
Individuals Who Have Access:
Bank Name/Branch:
Bank Address:
Owner of Box:
Box#:
Box Key Location:
Individuals Who Have Access:
Bank Name/Branch:
Bank Address:
Box Owner:
Box#:
Box Key Location:
Individuals Who Have Access:
Bank Name/Branch:
Bank Address:
Box Owner:
Box#:
Box Key Location:
Individuals Who Have Access:

REAL ESTATE PROPERTY

Detailed Description:	
Location:	
Date Acquired:	Price Paid: \$
Name on Deed:	
Mortgager:	Telephone#:
Date Sold:	Sale Price: \$
Detailed Description:	
Location:	
Date Acquired:	Price Paid: \$
Name on Deed:	
Mortgager:	Telephone#:
Date Sold:	Sale Price: \$
Detailed Description:	
Location:	
Date Acquired:	Price Paid: \$
Name on Deed:	
Mortgager:	Telephone #:
Date Sold:	Sale Price: \$
Detailed Description:	
Location:	
Date Acquired:	Price Paid: \$
Name on Deed:	
Mortgager:	Telephone #:
Date Sold:	Sale Price: \$

AUTOMOBILES

Name on Title:																
Vehicle Identification (VIN #)																
Make/Model:							Color:				Year:					
Dealership:							Telephone #:									
Date Bought:				Price: \$							Date Sold:					
Name on Title:																
Vehicle Identification (VIN #)																
Make/Model:							Color:				Year:					
Dealership:							Telephone #:									
Date Bought:				Price: \$							Date Sold:					
Name on Title:																
Vehicle Identification (VIN #)																
Make/Model:							Color:				Year:					
Dealership:							Telephone #:									
Date Bought:				Price: \$							Date Sold:					
Name on Title:																
Vehicle Identification (VIN #)																
Make/Model:							Color:				Year:					
Dealership:							Telephone #:									
Date Bought:				Price: \$							Date Sold:					
Name on Title:																
Vehicle Identification (VIN #)																
Make/Model:							Color:				Year:					
Dealership:							Telephone #:									
Date Bought:				Price: \$							Date Sold:					

FUNERAL AND BURIAL PLANS

Name:		
Social Security #:		
Birth Date:	Birth Place:	
Driver's License#:		
Place of Worship Service:	Telephone#:	
Place of Worship Address:		
Funeral Home:	Telephone#:	
Prepaid Funeral Account#:		
Funeral Home Address:		
Cemetery Name:		
Cemetery Address:		
Cemetery Plot Row#:	Date Purchased:	
Lot#:	Block#:	Section#:
Casket/Urn Company:		
Telephone#:	Prepaid Account#:	
Memorial Service:		
Preferred Clergy:		
Pallbearers:		
Flower Preferences and Colors:		
Songs (Names & Artists):		
Scriptures:		
Poems:		

FUNERAL AND BURIAL PLANS

Singers:
Speakers:
Location and Description of Clothing/Jewelry:
Viewing Choice (Family Only, Public, None):
Burial/Cremation Choice:
Open or Closed Casket:
Wishes for Remains of Ashes:
Location of Special Photos:
Special Requests:

CHILD GUARDIANSHIP

Child's Name:	
Birth Date:	
Social Security#:	
Designated Guardian:	
Address:	Telephone#:
Alternate Guardian:	
Address:	Telephone#:
Key Information About Child:	
Child's Name:	
Birth Date:	
Social Security#:	
Designated Guardian:	
Address:	Telephone#:
Alternate Guardian:	
Address:	Telephone#:
Key Information About Child:	
Child's Name:	
Birth Date:	
Social Security#:	
Designated Guardian:	
Address:	Telephone#:
Alternate Guardian:	
Address:	Telephone#:
Key Information About Child:	

GLOSSARY

Activities of daily living: Involves bathing, dressing, eating, continence, walking, and toileting that are used to measure the normal functioning of a person.

Administrator: A person appointed by the court to administer the estate of a person who died without a will.

Advance directive for health care: A legal document that lets you give immediate directions about medical treatment you do and do not want in the future, including a living will.

Agent: A person who acts on your behalf, including person designated to have power of attorney over your affairs.

Annuity: A contract typically issued by an insurance company that provides income for a specified period of time, such as a number of years or for life.

Artificial nutrition and hydration: Food and water given through tubes or other means when a patient is unable to eat and drink.

Assets: What you own that can be converted into cash.

Attorney-in-fact: The person you give authority to in a power of attorney.

Beneficiary: A designated recipient of funds or other benefits who becomes eligible for benefits under a documented policy or plan.

Bond: A written agreement where a person promises to pay a specified amount of money as a penalty if he or she doesn't perform certain duties properly. (Persons administering the estates of people who die without wills must be bonded, as must most persons serving as conservators for incapacitated people.)

Capacity: Being of sound mind or having legal authority or mental ability.

Chronically ill: A person diagnosed by a doctor as needing substantial assistance to perform at least two activities of daily living or requiring substantial supervision because of a severe cognitive impairment.

Codicil: A documented amendment or addition to a will.

Cognitive impairment: A deterioration or loss in intellectual capacity measured by clinical evidence and standardized tests that assess short- or long-term memory impairment, orientation to people, place, or time, or deductive or abstract reasoning.

Community property: Property acquired during a marriage that belongs equally to husband and wife (This is under the laws of certain states.)

Conservator: A person appointed by the court to manage the property of an incapacitated person.

Creditor: A person, business, or other entity to whom a debt is owed.

GLOSSARY

Custodial care: Care that may be provided by unskilled personnel that may include the provision of room and board, personal care (bathing, dressing, feeding), or supervisory services (passing out medication).

Debtor: A person, business, or other entity who owes a debt.

Decedent: A person who has died.

Decree: A document issued by a court showing the court's final judgment.

Dispositive provisions: The provisions of a will or trust agreement that indicate how the estate or trust is to be distributed.

Domicile: A legal residence where, whenever a person is absent, he or she intends to return.

Durable power of attorney: A power of attorney that is not made void by the incapacity of the person granting the power.

Education IRA: An individual account in which non-deductible contributions of \$500 per year per child can be made. Earnings accumulate tax-free and money can be withdrawn without tax or penalty for education. Income limits apply.

Elder care planner: An individual specially trained to provide the aging client with financial, legal, tax, accounting, public benefits, or health care advice simultaneously with the intention preserving the client's quality of life.

Entity: A person or legally recognized organization.

Estate: A person's personal property.

Estate administration: The process of collecting a decedent's assets, paying his or her debts and estate taxes, and distributing his or her property.

Estate planning: The process of planning to minimize estate taxes and distribute a person's property according to his or her wishes on his or her death.

Estate tax: A federal and state tax on the right to transfer property by death, based on the value of the decedent's assets.

Executor: A person or an entity (such as a bank) named in a person's will to administer his or her estate according to the terms of the will.

Executrix: A female person named in a person's will to administer his or her estate according to the terms of his or her will.

Fair market value: The price for which an item would be sold by a reasonable seller to a reasonable buyer under normal market conditions.

Fee simple: Absolute ownership of real property (real estate).

GLOSSARY

Fiduciary: A person or entity (such as a bank) that manages another's property and must exercise a standard of care imposed by law. (An executor or a trustee would be a fiduciary.)

529 plan: A state tuition plan or the income that is paid, tax free, for costs related to higher education.

Geriatric care manager: A professional who specializes in assisting older people and their families with long-term care arrangements. Geriatric care managers have training in gerontology, social work, nursing, and/or counseling.

Gift tax: A federal and/or state tax imposed on the transfer of property during one's lifetime.

Grantee: A person who receives a grant of property (the buyer or the person who inherits property).

Grantor: A person who transfers a grant of property (the seller).

Gross estate: A decedent's property before debts, taxes, or other expenses have been deducted.

Guardian: A person who cares for the personal welfare of a minor or incapacitated person.

Health care proxy: The person named in a health care power of attorney to make health care decisions for a person in the event that this person cannot make his or her own decisions. (Health care proxy is sometimes used to mean the same thing as health care power of attorney.)

Heir: A person entitled to the property of a relative under intestate laws.

In terrorem clause: A provision of a will or trust intended to frighten a possible beneficiary out of doing something by saying that the beneficiary would forfeit his or her benefits if that thing were done. It usually says that a person would forfeit his or her share of the estate or trust if he or she contested the will or trust agreement.

Incompetent: Lacking the ability to manage one's own affairs.

Inter vivos trust: A trust that is created and exists during the grantor's lifetime.

Intestate: A condition when a person dies without a will.

IRA: An individual retirement account in which income accrues on a tax-free basis until it is withdrawn, at least in required minimums.

Irrevocable trust: A trust that cannot be revoked by the maker after its creation.

Issue: Involves a person's descendants.

Joint tenancy: Property owned by two or more persons, each with the same undivided interest in the property.

Letters of administration: The formal document issued by the court naming the administrator of the estate of a person who died without a will.

GLOSSARY

Letters testamentary: The formal document issued by the court naming the executor of the estate of a person who died with a will.

Liability: A debt or obligation for which a person holds responsibility.

Living trust: A trust that is created and exists during the grantor's lifetime (same as inter vivos trust)

Living will: A document that tells health care providers what treatment a person does and doesn't want in case he or she has a terminal illness.

Medicaid: A need-based medical assistance program funded with state and federal money and administered by the state; covers most long-term care costs for those who qualify.

Medicare: A federal health insurance companion program to the Social Security system.

Medigap insurance: Insurance that fills some of the "gap" between the actual cost of medical care and the amount Medicare will pay.

Minor: A person under the age of legal competence. In Alabama, this means a person under the age of 19.

Non-probate assets: Property that passes outside of the probate process, such as property owned by a decedent and others in joint tenancy, certain trust property, and life insurance benefits.

Notary public: A person who is authorized to administer oaths, attest and certify documents, and take acknowledgments.

Per capita: A way of dividing an estate equally among persons, regardless of their relationship to the decedent.

Per stirpes: A way of dividing an estate that takes into consideration a person's relationship to the decedent. For example, if a person gives his or her estate to his or her issue in equal shares, per stirpes, the children each get an equal share; if one of the children is deceased, then that child's children divide his or her shares equally, and so on.

Personal property: Anything a person owns other than real estate.

Personal representative: The person or entity representing a decedent's estate; an executor or administrator.

P.O.D. accounts: Accounts at savings and loans or other financial institutions that allow an individual to designate who gets the proceeds of the account at death without giving that person any ownership rights to the account during the creator's lifetime.

Power of attorney: A legal document that lets someone name another person to act on his or her behalf.

Predeceased: A person who died before a decedent.

GLOSSARY

Probate: The court proceeding by which a will is proved valid or invalid; also refers to all proceedings having to do with administering an estate.

Probate assets: Assets owned by a decedent that are distributed in accordance with a will. The property must undergo the probate process.

Probate court: In Alabama, the court that has jurisdiction over probate of wills, administration of estates, appointment of guardians and conservators, adoptions, and commitments.

Q-TIP trust: Qualified Terminal Interest Property trust; a trust that gives a surviving spouse a lifetime income interest.

Real property: Land and any assets attached to it, such as homes and other buildings.

Representative payee: A person to whom another person's Social Security benefits may be paid on his or her behalf.

Residuary estate: What is left of a decedent's estate after all expenses have been paid and specific gifts have been distributed to appropriate parties.

Roth IRA: An individual retirement account in which taxes are paid before the contribution is made. Income accumulates tax-free and is not taxed on withdrawal if certain requirements are met; however, income limits do apply.

Self-proved will: A will that is acknowledged by the person making the will and the witnesses in the presence of one another and a notary public.

Settlor: A person who creates a trust; also called a *grantor*, *donor*, or *trustor*.

Skilled care: A service that is so inherently complex that it must be administered by skilled individuals or under the supervision of skilled personnel.

Specific bequest: A gift in a will of an identified asset, item, or specific amount of money.

Specific devise: A gift in a will of a specific parcel of real property.

Surety: A person or entity who posts a bond for another.

Tangible property: Personal property that can be touched, such as a car or chair.

Tenancy by the entirety: Type of ownership by which a husband and wife hold title to property with the right of survivorship.

Tenancy in common: Type of ownership by which a person holds an undivided interest in property without right of survivorship; owner's interest passes to his or her heirs.

Terminally ill: For tax purposes, an individual who has been certified by a doctor to have an illness that is expected to cause death within 24 months of the certification; for living wills, terminally ill is a patient whose death, as certified by a doctor, is imminent or whose condition is hopeless unless artificially supported by life-sustaining procedures.

GLOSSARY

Testamentary capacity: Involving a person's legal and mental ability to make a will. This involves knowing the extent of his or her assets, who his or her natural heirs are, how he or she wants to distribute the assets, and that he or she intends to make a will.

Testamentary trust: A trust created by a will that comes into being on a person's death.

Testate: When a person dies with a legally valid will.

Testator: A person who makes a will.

Testatrix: Female person who makes a will.

Trust: An arrangement whereby property is transferred with the intention that it be administered by a trustee.

Trustee: The person who manages trust property according to a trust agreement.

Trustor: The person who creates a trust; also known as a *settlor* or *grantor*.

Will: A legal document that lets a person state, among other things, how his or her property is to be distributed on his or her death, to take effect only on death. This document may be changed or revoked during a person's lifetime.

Will search: Entering a decedent's safe-deposit box in the presence of a bank official in an attempt to locate a decedent's will.

Witness: A person who personally sees or perceives something such as a person signing a will.

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