

# Estate Planning is Part of Retirement Planning

Retirement planning and estate planning are not the same thing but are related. Retirement planning is the process by which a person sets financial goals in motion in order to provide for their future support when they stop working or have reduced their working. Estate planning is the process of planning and securing appropriate legal documents for the handling and disposition of their assets during incapacity and death.

The importance of either should not be underestimated. While no person wants to become incapacitated or die, incapacity is with most persons unpredictable but with death it is a certainty. Still, there are those amongst us who delay the planning of their estate and unfortunately, sometimes wait until it is too late.

The important documents we are talking about include: Wills and Trusts, as well as Powers of Attorney for Property, Powers of Attorney for Health Care, Physician's Directives (Living Wills), Declarations of Guardian in the Event of Incapacity and HIPAAs.

Why then do people tend to put these important things off? Here are some of the reasons we've identified over the years:

1. Procrastination: Other things seem more important and death and disability seems to be so far in the future.
2. The thought of death and disability: Many people are unmoved by the thought of disability and believe it won't happen to them. It is something that happens to other people and, "I'm healthy as a horse "are common objections. Thoughts related to death just make many people uncomfortable, in fact, many people actually subscribe to the myth that if they prepare a Will, then that act alone will usher in an early demise.
3. Cost: Some people just don't want to pay for the legal assistance to obtain thoughtfully and properly drafted documents.
4. Burden: Some people consider planning like this to be an unnecessary burden and prefer to let their heirs worry about it.
5. Attorneys: Some people don't know an attorney and don't want to know one.

The process is not really as complicated as one may think. If you want to

prepare thoughtfully for your future, estate planning is as important as retirement planning.

Decisions need to be made regarding how you want your assets to pass at death. You need to decide who will be in charge of your financial decisions during incapacity and death. This is why you need Wills and Powers of Attorney. If you don't make a Will, the State of Texas has a plan for you, which may be found in the laws of intestate succession, which may not leave assets as you would have wanted.

Trusts can provide a means of controlling assets once you're dead so that assets are spent in alignment with your wishes as opposed to the possibility of ending up in the hands of persons you would not wish to benefit.

Medical Powers of Attorney will set forth individuals you wish to make medical decisions for you.

Physician's Directives set forth how you want your medical treatments to be handled if you become terminal.

A Declaration of Guardian can be used to set forth who you want to be in charge of your decision making if for some reason you wind up being the subject of a Guardianship proceeding.

A HIPAA document sets forth the names of those persons who you want to be allowed to access your private medical records and releases third-party vendors from any liability for releasing said records.

These are important planning tools. You should not rely on "home brews," i.e. doing them yourself because invariably, you will potentially subject yourself to critical errors.

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