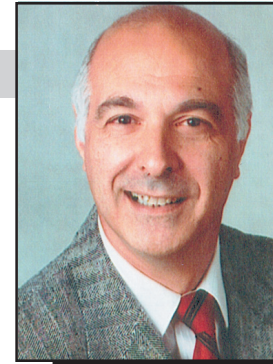


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With four specific services, The Center provides complete unbiased planning. The Center does not sell any products; its main purpose is to provide advice. Local experts are retained to implement the plans developed by the Center. The Center for Financial, Legal & Tax Planning is located at 4501 W. DeYoung Street, Suite 200, Marion, Illinois 62959. Phone 618-997-3436; Fax 618-997-8370.



Dr. Bart Basi

Estate Planning and Online Storage

Ask yourself these two simple questions:

1. If I were to fall asleep and never wake up, would my family be able to locate my critical documents? i.e. life insurance policies, my will, etc....

2. When (not if) I need someone to make life saving decisions for me at a moment's notice, will anyone: a) be authorized to make those decisions and b) be able to find the necessary documents to do so?

If you answered "no" to either of these, you and your family will face unfair consequences when a medical emergency or death occurs. In a medical emergency, someone overcome with emotion or stress may be

making medical decisions for you. If you become mentally incapacitated for any reason, people lacking money and business savvy could make decisions on your behalf. If you were to pass away without saying another word,

your estate will be processed according to intestate succession rules and even worse, contrary to your wishes. **Don't let it happen to your family.**

Not only are legal and medical documents important, but the ability to locate the documents within a certain time frame is critical! Many states require that a will be located within six months of a decedent's death or the estate will be probated as if no will ever existed. If you have a Health Care Power of Attorney locked in a safe that nobody knows the combination to or in a safe deposit box where nobody knows where it is, that document is equally useless. If you have a Living Will (which is different from a will) that nobody knows of, what good does that document do you? Not only must you have these documents prepared, but they must be readily accessible. This article will discuss both — which documents you should have and how you should store them.

What Documents Do I Need?

There are four documents that are essential for creating a successful estate plan: A Last Will and Testa-

ment, a Living Will, a Health Care Power of Attorney and a Property Power of Attorney. Each one operates independently of the other, yet they are interrelated.

Last Will and Testament

May of you are familiar with a will. A will provides the mechanism for distribution of any state laws will determine who gets your property. In addition to state laws determining who will get your property, it is often at a slightly higher financial expense and a much greater emotional expense. The most important aspect of a will is to transfer your property at death, based upon

your intent. The best thing to do when writing your last will and testament is to make a list of all the items that are important to you and identify the people you want to receive the items. Then, be sure to include a clause to cover items

that you may forget to give someone or items you may receive after you write the will. Finally, remember to include a clause stipulating how taxes will be paid. If you forget this clause, the government will charge each beneficiary for the taxes due, on a pro-rata share.

The Living Will

Some people may think if you have a Living Will, then you have a will. WRONG! A Living Will states your wishes on medical treatment if you cannot make a decision for yourself and becomes effective once death or a comatose state becomes inevitable. Not only does it protect you if you want to DENY all available medical treatment, but it also protects you if you want to make sure you RECEIVE all possible medical treatment. In the absence of a Living Will, the doctors who treat you will try to determine what your best options are, with possible consent required from a family member. The Living Will removes this responsibility from the doctors and any surviving family members and states what you want to be done — no more, no less.

We all remember the recent Terri Schiavo case. In

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her case, had she had a Living Will clearly defining her wish to die given the circumstances, both her husband and family would have saved a lot of money in litigation costs and emotional agony. It is therefore imperative that you have a Living Will to spare your family the costs and emotions which a Living Will can prevent.

Health Care Power of Attorney

The third document you need in your estate plan is a Power of Attorney covering your health care. Just like the Living Will, this document allows medical decisions to be made for you in the event that you cannot communicate your desires. However, the Power of Attorney differs from the Living Will in that the Power of Attorney assigns another person to make decisions for you. In the Living Will, you made your own decision prior to the medical event. Here, your proxy will make your decisions as needed. They are both important to have because the Living Will generally provides a one-time decision to doctors. The Health Care Power of Attorney vests power in another person to make ongoing decisions for you. Both documents are important.

Property Power of Attorney

The fourth and final document that is needed in an estate plan is the Property Power of Attorney. A Property Power of Attorney is necessary in the event you are unable to make sound financial decisions regarding your assets during your lifetime. The Property Power of Attorney does not become effective until it is executed by the individual you state in the written document. It is important that you plan for the unfortunate situation when you are not able to make sound financial decisions. The Property Power of Attorney assists in a smooth transition to a conservator and can provide you with sound financial decisions that will provide you and your loved ones with a steady stream of income for the rest of your life. Remember, you can always change the named individual or the terms, as long as you are of sound financial mind.

Where Should I Store These Documents?

The answer to this question is as important as the existence of the documents themselves. Emergencies come up suddenly and often without warning. Often, the victim cannot say another word to instruct those around him or her rendering even the best intentioned estate plan useless. This is why the location, while secure, should be accessible enough to gain access to all documents within the necessary time frame in which they are needed.

In a Safe

Safes are an effective and cost-efficient place to

store your estate plan. A safe from a large discount store may cost anywhere from \$50-\$100. They are easy to transport, difficult to open, and some models provide for fire safe protection. Most modern safes can be opened within two to three minutes given the person opening the safe knows the combination and has the state of mind to open the door. They can be placed in a closet hiding their obviousness. Yet they must be conspicuous enough to indicate that they could maintain important documents.

On the down side, if you have an emergency, somebody must be able to go to the safe, will need to know the combination of the safe, be able to open it, and be trustworthy enough to properly handle this information.

Another down side is the documents in the safe may not be physically present when you need them to be. If you are on business in California at 8:00 a.m. and your home is in Pennsylvania, you have quite a problem, especially if nobody is home and your relatives do not live close. A document 2,000 miles away with nobody home to view it, does you absolutely no good in your hour of need.

In a Safe Deposit Box

Safe deposit boxes are also a means of storing your critical documents. They are a bit more expensive than a typical discount store bought safe, but they also provide more protection for your money. A safe deposit box will not get stolen and they rarely get broken into. The fire protection in a

safe deposit box is unmatched. With the key most banks issue, a safe deposit box can be opened in minutes.

On the down side, safe deposit boxes suffer from similar limitations to what safes suffer. In order for a safe deposit box to work, somebody else will need a key. It is also possible that person will not be able to be contacted in time to get the contents or be far away in an emergency. Also, bankers' hours — in order for your emergency to work like clock work with a safe deposit box, you must have your emergency weekdays between the hours of 8 a.m. and 6 p.m. or Saturday morning. Emergencies rarely happen at convenient times!

There is also one more negative about a safe deposit box. They are not conspicuous at all. For example, an acquaintance of mine handed his son a safe deposit box key and instructed him what to do in case of death with no other words. He did not know what bank, what drawer, or anything. His father passed away suddenly. The result, this person has a key and fond memories of his father with no idea as to what the contents are (a will, papers, valuables, etc.) and where they are.

The New Option: Secure Online Storage

Online storage is a recently new phenomenon. When

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storing a document online, subscribers have numerous advantages to critical document storage that the old ways do not. First, the documents stored online are stored as an electronic signal. They will not be damaged if your house catches fire. The fee for online document storage can range from \$50 to \$100 per year depending on your storage needs. Documents stored online benefit from state-of-the-art security protection. You don't have to worry about losing your key, combination, or your house being broken into. Even if your house is broken into, your documents will remain secure.

Also, even though online document storage is not conspicuous, some online document storage solutions, such as **Medgal.com**, supply you with a card for your wallet which contains passwords and necessary information to reach the account. Since the card is stored in your wallet, it is secure and obvious enough to be found in case of need. If you are rendered unconscious, most authorities will go through your wallet for ID and will find the card. On the other hand, if your wallet is stolen, the online document storage company can be contacted and the account can be secured again.

Additionally, the time and space issue is solved with

online documents. Online documents can be accessed immediately and the documents are there in a "legal enough" form to be used in an emergency or long enough so one can be found. Nobody has to be home or open when your emergency arrives. Also, if you suspect someone may have an online account containing a Will, Health Care Power of Attorney, etc., you can always ask that online company. Granted they have certain confidentiality rules, but in times of crises the documents can be reached and downloaded.

Online storage is a recently new phenomenon. When storing a document online, subscribers have numerous advantages to critical document storage that the old ways do not.

Conclusion

Estate planning is an important part of life. Leaving your loved ones without a plan or the location as to where that plan is at is frustrating and of no use to your family. You absolutely

need a Will, a Living Will, a Health Care Power of Attorney and a Property Power of Attorney. Once you have them, it is also wise to store them in a secure place that can be accessed. Online storage provides a great place. If you are interested in estate planning and/or online storage, contact the people at The Center and/or Medgal.com to find the best solution for you and your family. ●