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## The Importance of Estate Planning During a Health Pandemic

Weiss, Hale & Zahansky Strategic Wealth Advisors is committed to helping you on your journey to Plan Well. Invest Well. Live Well.™ Though you may not necessarily think you need an estate plan right now, or you just haven't gotten around to it, now is a good time to consider this helpful information to guide you towards building your estate plan. The reality is, this pandemic has us all worried about our health, our jobs, and the uncertainty surrounding us daily. The question you should ask yourself is 'if I get sick or when I pass away, will my financial affairs and healthcare decisions be carried out according to my wishes?'

Having legal documents in place can help alleviate unnecessary stress placed on family members faced with making these decisions without knowing *your wishes*. An estate plan generally consists of a durable power of attorney, healthcare proxy, a will, and possibly a trust. These documents designate a trusted person to make important decisions related to your wellbeing and financial affairs.

You should work with an attorney to help you develop an estate plan and work with your financial advisor to ensure the estate plan fits into your holistic financial plan. Without these documents in place, a court may be left to decide what happens to your assets or your family has to make medical decisions, and it may not be aligned to your wishes.

### The Estate Planning Must-Haves

Here is a list of items every estate plan should include:

1. Will/trust
2. Durable power of attorney
3. Beneficiary designations
4. Letter of intent

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5. Healthcare power of attorney
6. Guardianship designations

In addition to these six documents and designations, a well-laid estate plan also should consider the purchase of insurance products such as long-term care insurance to cover old age, a lifetime annuity to generate some level of income until death, and life insurance to pass money to beneficiaries without the need for probate.

This article will go over wills and trusts, power of attorney, healthcare proxy, and beneficiary designations, as well as strategies to overcome the social distancing barrier we face.

## **Wills and Trusts**

A will should be a part of everyone's estate plan, even if you do not have substantial assets. Wills allow you to direct who will receive your property and if you have minor children, who will assume guardianship. Trusts are typically for more complex estate plans. A Trust will transfer property to be managed by a trustee for a stated beneficiary and can offer greater protection of assets.

However, simply having a will or trust isn't enough. The wording of the document is critically important. A will or trust should be written in a manner that is consistent with the way you have divided the assets that pass outside of the will. For example, if you've already named your sister as a beneficiary on a retirement account or insurance policy (assets that typically pass outside of a will to a named beneficiary), you don't want to leave the same asset to a second cousin in the will because it could lead to a will contest. If you don't name a beneficiary, or if the beneficiary is deceased or unable to serve, a court could be left to decide the fate of your funds. A judge who is unaware of your situation, beliefs, or intent is unlikely to make the same decisions as you would

We have these conversations with our clients as part of our Plan Well. Invest Well. Live Well.™ process. You should discuss your situation with your attorney and financial advisor to see what route is the best for your personal situation.

## **Designate a Power of Attorney**

You should have someone legally dedicated to making essential decisions in the event you become unable to make them on your own. Two of the most important aspects of your estate plan are the documents delegating your healthcare and financial powers of attorney.

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The vast majority of married couples name each other as agents under a general durable power of attorney. However, in some cases, it might make more sense to have another family member, friend, or a trusted advisor who is more financially savvy act as the agent. These documents allow an agreed upon agent to act on behalf of you in managing various aspects of family life. For example, if there is a need to make any changes to an account or access a safe deposit box, one spouse can act for the other. In cases where an individual is battling an illness, this option can prevent unnecessary exposure to others and help ease stress. Absent a power of attorney, a court may be left to decide what happens to your assets if you are found to be mentally incompetent, and the court's decision may not be what you wanted.

### **Healthcare Power of Attorney**

A healthcare proxy designates an individual (typically a spouse or family member) to make important healthcare decisions on your behalf in the event of incapacity. If you are considering executing such a document, you should pick someone you trust, who shares your views, and who would likely recommend a course of action you would agree with. After all, this person could literally have your life in their hands. A backup agent should also be identified, in case your initial pick is unavailable or unable to act at the time needed.

Other important healthcare documents include a living will (sometimes called an Advance Health Care Directive) and a HIPAA waiver (Health Insurance Portability and Accountability Act of 1996). A living will specifies end-of-life treatment, such as the decision to be taken off of life support or a Do Not Resuscitate order. Without a living will, these difficult decisions lay in the hands of your healthcare provider or family members. A HIPAA waiver ensures all medical records will be accessible to the person of your choosing in the case of incapacity or medical emergency. Without the waiver, your healthcare proxy is not privy to your medical records, and the physician or hospital may not consult with you about the status of the patient.

### **Estate Planning During COVID-19**

So now you know a little bit about estate planning, but where do you go from here? First, we suggest you meet with your financial advisor and attorney to discuss the best plan of action for you, your family, and your assets. During COVID-19, many businesses are practicing safe social distancing measures by working remotely to connect with clients. At Weiss, Hale & Zahansky Strategic Wealth Advisors, we are available during normal business hours by phone, email, and video conference. Attorneys are also offering creative solutions to get estate planning documents

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signed and finalized. Documents can be drafted and emailed or delivered to you for review. Again, contact your financial advisor and attorney to agree upon the best way to go about drafting these documents that works for you.

### **Helping you Plan Well. Invest Well. Live Well.™**

Use this time to get your estate planning in order. Chances are you now have the time to think through the concerns you have placed on the back burner for so long. For those who have an estate plan in place, now is a good time to take stock and review it. If you do not have an estate plan in place, start by designating powers of attorney for finances and healthcare matters.

Weiss, Hale & Zahansky Strategic Wealth Advisors is dedicated to empowering the community to Live Well.™ We want to be sure that you, our dedicated readers, are equipped with the right information to prepare an estate plan. While right now we are all in different circumstances – some of us are working from home, others still going in, and some have been laid off or furloughed – if we work together to make resources and information accessible to everyone, we might have a better chance at coming out of this on a positive note. For access to resources such as assistance in Northeast Connecticut, as well as articles, podcasts, and more, visit our website [www.whzwealth.com/covid19-resources](http://www.whzwealth.com/covid19-resources). If you are interested in receiving holistic financial planning and advising, please call us at 860-928-2341 or email us at [info@whzwealth.com](mailto:info@whzwealth.com) for more information.

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