

Estate Planning and Administration Glossary

Advance Medical Directive: A legally binding document that permits you to select which types of medical care and treatment you want and who you want to make medical decisions for you if you become mentally incapacitated.

Agent: A person you authorize to act in your place . They are also sometimes referred to as a representative or an attorney in fact.

Beneficiary: The person or institution who is entitled to receive property under a will or a trust.

Beneficiary Designation: An instruction to a bank or other financial institution to pay assets in a certain account or accounts to a certain person or organization when you die.

Bequeath: Technically, this means to give someone real property in a will. It is frequently used more broadly to mean to give assets to a person or organization when you die.

Charitable Trust: A trust designed for the benefit of a charity or for charitable purposes.

Decedent: This is a person who has died. When used in estate planning, it normally means the person who died and whose assets are being administered.

Devise: Technically, this means to give someone real property in a will. It is frequently used in a broader sense of giving assets to a person or organization when you die.

Estate Administration: The process by which a deceased person's debts are paid and their assets are distributed.

Estate Guide and Inventory: A non-legal document that allows you to provide your personal representative with a list of your assets and important instructions about your estate, including funeral arrangements and contact information for people who will be helpful.

Estate Plan: Technically, this just means a plan for how your assets (your estate) will be distributed when you die. It is normally used in a broader sense to mean your plan for the future if you aren't able to make decisions. An estate plan is made up of multiple parts, including:

- how you want to be cared for as you get older
- who gets to make decisions if you aren't able to make them
- how you want your assets used while you are alive
- funeral arrangements
- legacy creation
- distribution and use of your assets when you are gone.

It should include legal and non-legal documents, such as wills, trusts, powers of attorney, advance medical directives, ethical wills, and estate guides and inventories, among others.

Ethical Will: A non-legal document designed to pass on your values, beliefs, and knowledge, and to communicate your legacy.

Financial Power of Attorney: A legally-binding document which authorizes someone else to make financial decisions for you. This person is referred to as your agent. A financial power of attorney is also sometimes referred to as a durable general power of attorney.

Gifts and Memories List: A legal document that allows you to specify certain items of tangible personal property that you want given to certain people or organizations upon your death. It must be used with a will or a trust. It is very easy to change, but is limited to only certain types of property. It is also referred to as a personal property memorandum.

Grantor: Another term for the creator of a trust.

Guardian: A person named in a will or appointed by the court to care for a minor (under 18) child or a disabled adult.

Intestacy: The default rules about who will receive your assets if you die without a valid will.

Irrevocable Trust: A trust that may not be revoked by the creator after it is made.

Last Will and Testament: a legal document that allows you to specify how you want your assets used and distributed after your death.

Personal Property Memorandum: Another name for a Gifts and Memories List.

Living Trust: a trust that is created and implemented while you are alive. It is normally created for the purpose of avoiding probate.

Minors Trust: A small trust included in a will or another trust which prevents a child or young adult from receiving their inheritance until they reach a certain age.

Payable on Death Designation: A type of beneficiary designation that instructs a bank or financial institution to pay the funds in a certain account or accounts to a person or organization when you die.

Personal Representative: The person who will carry out your estate plan according to your will if you have one, or the intestacy laws if you don't. If you have a will, this person is called an executor. If you don't have a will (or if they are not named in the will), then they are called an administrator.

Personal Property: All property (assets) that is not real property (land or buildings attached to land).

Planned Giving: a term for gifting money to a cause you care about in a thoughtful, organized manner, or creating a plan to bequeath money to that cause in the future.

Pour-over Will: A will that is created to work with a living trust. It normally provides that all of your assets are distributed to the living trust.

Principal: A person who authorizes another (their agent) to act on their behalf. You are the principal when you create a power of attorney or advance medical directive.

Probate: The procedure by which a court makes sure that the personal representative correctly carries out the provisions of your will, if you have one, or the intestacy laws if you do not.

Real Property: Property (assets) that are either land or buildings attached to land.

Revocable Trust: A trust that the creator or grantor has the right or power to change or revoke.

Right of Survivorship: a type of ownership that allows property that you own jointly with someone else to be automatically transferred to them when you die and vice versa.

Special Needs Trust: a trust that is designed to provide for someone with a disability. It is normally created to ensure that the assets in the trust do not disqualify the disabled person from receiving government benefits, such as Medicaid.

Trustee: The person or institution named by the creator or grantor of a trust to manage the trust property for the beneficiaries of the trust.