**The Essential Components of a Good Estate Plan**

Most people think that having a will or trust is enough for their estate planning. However, a solid estate plan requires a few more instruments so that you and your loved ones are covered from all angles and enjoy certain benefits. With a well-rounded estate plan, you can save on estate taxes, avoid probate, appoint a guardian for your children or disabled relative, and protect your property and assets from being distributed in an undesired way, among other benefits.

If you are [making an estate plan](http://www.covonelaw.com/areas-of-practice/estate-planning/), you should consider including the following important components:

**Will**

An estate plan is essentially incomplete with a will dictating your wishes. It is generally the first instrument people consider when preparing an estate plan. A will is a legal document that allows you to put in writing who will get what part of your assets, and ensure the proper distribution of assets when the time comes. If you have children who are under 18 years, you should also consider naming a guardian to ensure they are looked after in case you and your spouse die or become incapacitated.

**Trust**

A trust is a legal arrangement that allows you to put certain assets in the care of a third party, known as a trustee. You can choose from different types of trusts based on your specific circumstances and needs, allowing you to dictate when and how your beneficiaries will receive the assets. If you include a revocable trust in your estate plan, you can avoid probate. With irrevocable trusts, you can reduce the estate taxes applied on your assets. You can also create a testamentary trust, which is a trust within your will. However, the assets of this type of trust are not exempted from [probate](https://www.law.cornell.edu/uniform/probate).

**Power of Attorney**

The purpose of a power of attorney is to designate a person to make decisions and take actions on your behalf of your finances when you become physically or mentally incapacitated. In such a situation, the power of attorney will kick in and the person you have named will step in and take care of your financial affairs. If you do not have anyone you can appoint, the court will designate the most suitable person for the job.

**Healthcare Directives**

A healthcare directive is quite similar to a power of attorney, and allows you to appoint a person to make decisions on your behalf for your healthcare, in the event you become incapacitated. It comprises of several documents, including a durable power of attorney for healthcare, a health care proxy, medical instructions, and a living will. Not all these documents are necessary, and you can make the important ones based on your specific circumstances.

**Other Considerations**

While making your estate plan, it is best that you talk to your loved ones as well and make your wishes known to them. You may want to tell them whether you would like to be buried or cremated, or maybe want to donate some of your organs. A few other components you may want to add to your estate plan include:

* Beneficiary designations
* Covering funeral expenses
* Guardianship considerations
* Life insurance considerations
* Management of the inherited property by minor children’s guardian
* Guidelines for business succession if you are a business owner

For legal assistance in making a solid estate plan, [contact](http://www.covonelaw.com/contact-us/) Mary Ann Covone, P.C., Attorney at Law at 708-246-4911 or online today to schedule a free consultation.