

There Are Reasons to Have Estate Planning in Order

Submitted by Dale R. Thorson, PC

Consider the stress you can eliminate, for yourself and your family, by having your financial and medical affairs in order.

Consider, too, the cost savings in avoiding a \$5,000 bill for a court guardian—conservatorship proceeding by executing financial and medical powers of attorney. Then, realize a further savings of an estimated \$2,000 to \$5,000 cost of a court probate and the lengthy time delays by utilizing available techniques which many attorneys do not suggest or even understand are available.



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MOST PLANS DO NOT NEED TO INCLUDE A TRUST

It is now possible to settle most estates with only an original death certificate. Yes, you need a will, but only as a guide to clearly state your distribution plan to be carried out, or if you fail to plan. Common myths are a will is required so the state does not receive your property, or you need a trust if your *estate* is more than \$75,000, as stated typically in most advertising. These statements are just not true. Start getting educated today.

ARIZONA PLANNING

Arizona is probably the most consumer-friendly state and one of the most unfriendly to attorneys to whom you do not need to pay large amounts of fees for unneeded services. Statutes are in place for low-cost and efficient planning.

MEDICAL

With respect to medical powers of attorney (POA), almost every document I am asked to review names only one person to act. This design is wrong, in my opinion, as the primary reason for a medical power of attorney is to allow your trusted family and friends to have immediate authority to speak to your medical professionals, and to assist with initial services in an emergency situation.

To facilitate your treatment and care, the second most important reason is to have immediate authority to obtain access and copies to all medical records. Therefore, I recommend having multiple appointees, including your spouse, and, in most situations, all of your children and frequently visited out-of-state family members. Other appointees may be close friends, if you so choose.

If you do not have family in town, try to name a local contact person who will give immediate assistance and contact your family. When asked about the need for a medical POA, almost everyone says the most important

reason is to make decisions. However, my understanding is this only happens no more than 5 percent of the time. You personally make about 50 percent of the decisions, and medical professionals make around 45 percent. The remaining 5 percent is, indeed, important but usually only happens at end-of-life situations.

The other reason for a medical POA is to advise the hospital of your decision on end-of-life pulling of the plug or living will. Just a personal note, I am very worried that some of you have executed Do Not Resuscitate, or DNR documents, and really do not understand the risk of such decisions. Normally, DNRs are limited to hospice arrangements. Arizona does not have an assisted suicide law.

FINANCIAL

With respect to financial POAs, almost every document I am asked to review is effective upon execution. This is the same as giving a blank check to someone. This design is also wrong, in my opinion. In most situations, this instrument should become effective only in the event of your incapacity. There are three phases of life. Competent requires no one else to make decisions on your behalf. Incapacitated is when you are mentally or physically unable to act. Death is when all POAs are void.

AVOID FAMILY DISPUTES

My approach includes steps to avoid family disputes by establishing the proper plan to distribute tangible personal property, get your family involved, and make them aware you have done comprehensive planning. ■

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