

# ESTATE PLANNING AND YOU

*“It is imperative that you understand what each fiduciary role encompasses and what should be considered when making a decision about whom to appoint.”*



JOHN R. VERMILLION



It is often easy for estate planning lawyers to forget that most people have little experience with the law, or estate planning itself. Before you begin your estate planning efforts, it's valuable to take the time to learn some essential

concepts that are involved in estate planning. Here are several key ideas you will want to understand.

## **THE PROCESS**

Estate planning is not an end goal, but more of a process. It involves evaluating your current situation, desires, and options, and creating legal tools that will help protect your choices. Because each of these variables change over time, so too will your estate plan have to change. Fortunately, once you have the right plan in place, making subsequent adjustments is relatively easy.

## THE CHOICES



An estate plan will allow you to make specific types of choices in a legally enforceable fashion. What types of choices? Most of them have to do with what you want to happen to you, your property, and your family after you are gone.

For example, many estate planning tools focus on questions of inheritances. Do you want to leave your children an inheritance? Do you want to leave something to a charity? Do you want to create an

organization that will survive your death and continue to maintain your legacy after you're gone?

All of these are inheritance choices, but inheritances are only one part of the estate planning equation. Through your estate plan you will also address questions about what you want to happen should you become incapacitated, who you would want to care for your young children if you lose your ability to do so, and what you want to happen to your remains after you're dead.

## **THE OPTIONS**

Many people dismiss estate planning because they believe estate plans are only something the rich or the elderly require. While it is true that seniors and the elderly have a more pressing need to develop an estate plan, and that wealthy people have more options than those with more moderate means, every capable adult needs to create an estate plan as soon as possible. These plans allow adults to answer questions that, if they don't have a plan in place, would have to be answered by others. In other words, if you don't take the time to create an estate plan, you leave it to others to make your estate planning choices for you.



## BEYOND WILLS



By far the most commonly used, and most well-known, estate planning tool is the last will and testament, also known as a will. Even though a Will is essential for any estate plan, it doesn't represent the end-all-be-all of estate planning. A good last will and testament will serve as a foundational piece of your plan, but there are many more elements you will have to create if you want your plan to be complete.

## TAXES AND PROBATE



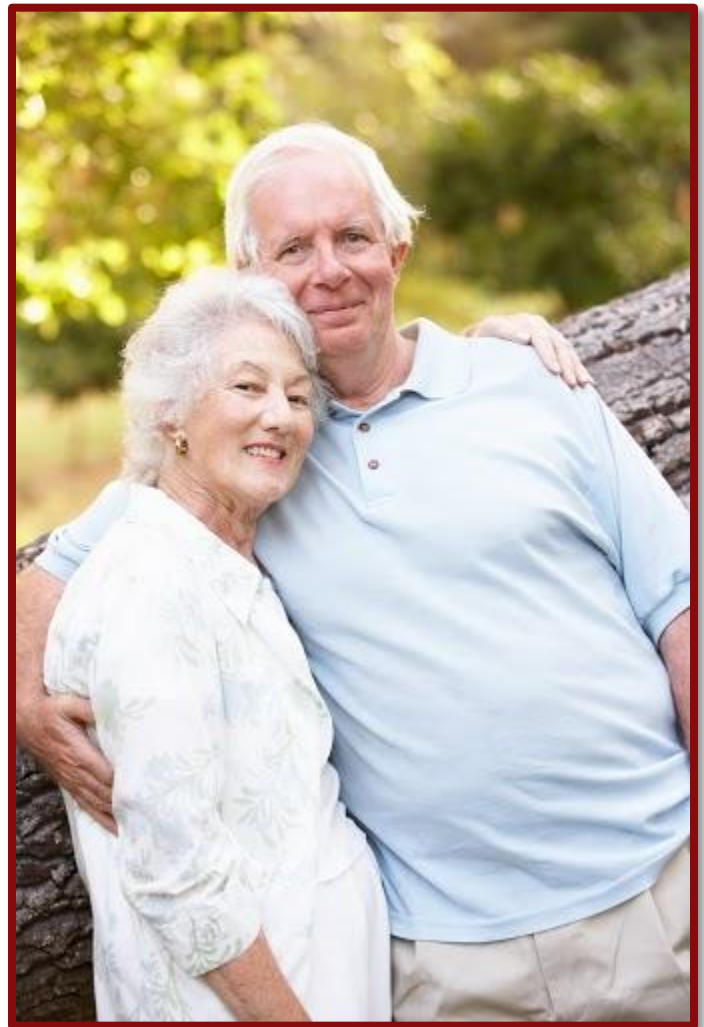
People who know a little about estate planning understand that probate is an important consideration. Probate proceedings are filed with a court of proper jurisdiction. Depending on the facts, they can be lengthy and meticulous processes that must be

completed before new owners can take possession of a deceased person's possessions. In many situations, however, people who create an estate plan can effectively avoid probate and court involvement, making it much easier for their family to receive their inheritance.

A lot of people also associate estate planning with the issue of estate taxes. In recent years the estate tax issue has become much less important because so few people will be affected by it. However, if you do have a lot of property and are concerned about estate taxes, there are numerous estate planning strategies you can use to help reduce or eliminate that potential tax burden.

## INCAPACITATION

Estate planning is not only about considering what will happen to your property should you die. For some people, the prospects of becoming incapacitated because of, for example, the effects of a medical condition such as Alzheimer's disease are very real. At some point in your future you may be rendered unable to care for yourself or make your own decisions. When this happens, you will want an incapacity plan in place if you want to be sure that the people who are responsible for making decisions on your behalf are people of your choosing. If you don't have an incapacity plan you will still have to have others make decisions on your behalf. However, those people will not be people of your choosing, and they may not be clear about what kinds of choices you would want them to make.



Incapacity plans rely on a number of tools. For example, your plan will likely include medical directives that allow you to make decisions about

the kind of medical care you would want to receive should you become incapacitated. It will also include powers of attorney that will give you the ability to make sure your finances are properly cared for if you are no longer able to look after your affairs.

## TRUSTS



Depending on the type of choices you make and your circumstances, your estate plan will likely include at least one type of trust. Trusts are very useful tools, each of

which is designed to serve a specific purpose. Some trusts, for example, can help you avoid probate, while others will allow you to leave inheritances to young children or grandchildren who would otherwise not be able to receive them directly. Trusts can also be an essential part of an estate plan designed to minimize estate taxes.



## **ADVICE AND GUIDANCE**

The number of issues you have to think about when making an estate plan can seem intimidating at first. However, experienced estate planning attorneys know how to guide their clients through this process. Only by having an attorney advising you can you be sure that the plan you create will be legally sound, and meet all of your needs and desires.



## About the Author

### John R. Vermillion



John R. Vermillion works as an estate planning and probate attorney and is licensed to practice in Texas, Louisiana, Oklahoma, and Tennessee. A native Texan, he graduated from Texas Christian University in 1974 receiving a Bachelor of Arts Degree in Political Science. In 1977, he received his Juris Doctor degree from the Louisiana State University Law School.

Upon graduation from law school, Mr. Vermillion worked extensively as a corporate attorney in the fields of oil and gas exploration and production, real estate development, finance and estate planning. He served for many years as corporate counsel and Vice President of a private independent oil and gas company.

Mr. Vermillion is a member of the State Bar of Texas, the Dallas Bar Association, the Louisiana State Bar Association, the Oklahoma Bar Association, and the Tennessee Bar Association. He is a member of the American Academy of Estate Planning Attorneys and the National Academy of Elder Law Attorneys.

Also active in his community, he currently serves as a director for the Charles Coody Classic Golf Tournament which benefits Catholic Charities of Fort Worth, Texas. A member of the French-American Chamber of Commerce, Louisiana Chapter, Mr. Vermillion pursues their goal of promoting and developing commercial and financial relations between France and the United States. In addition, he serves on the TCU Dallas Alumni Board and sponsors the Dallas area NAMI Walkathon (National Alliance for Mental Illness).

Coming from a family of entrepreneurs, Mr. Vermillion has owned and operated his own businesses, including an historic inn. His experience has given him a hands-on understanding of the legal and practical issues facing his clients and their estate planning needs.

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