

HOSPICE GIVING FOUNDATION

Life Stages: Financial Planning for Peace of Mind

GLOSSARY

Advance Care Directive A legal document that allows you to set out written wishes for your medical care and to name a person to make sure those wishes are carried out.

Amendment Any change (addition or deletion) in a legal document.

Annuitant The beneficiary of an annuity.

Annuity The payment of an allowance or income, either annually or at other intervals, for a lifetime or for a certain number of years.

Beneficiary The person(s) or organizations(s) that benefits from a Will or Trust.

Bequest An act of giving a gift of personal property by will.

CPR Cardiopulmonary Resuscitation (CPR) is a lifesaving technique useful in many emergencies, including heart attack or near drowning, in which someone's breathing or heartbeat has stopped.

Conservatorship A legal arrangement that gives an adult the court-ordered authority and responsibility to manage another adult's financial affairs.

Corporate Fiduciary A bank or trust institution with fiduciary powers. Examples include an executor, administrator, trustee or guardian.

Custodian One whose duty it is to take care of something, such as an estate or property.

Distribution The dissemination of property to those entitled to receive it according to the terms of a will or trust agreement.

Do Not Resuscitate Order (DNR) This is a legal document that prevents medical personnel from doing cardiopulmonary resuscitation (CPR) to prolong or save your life.

Durable Power of Attorney A legal document that allows an individual to designate another person to make legal decisions on the individual's behalf.

Durable Power of Attorney for Health Care A legal document that you can use to give someone permission to make medical decisions for you if you are unable to make those decisions yourself. The person you name to represent you may be called your agent, attorney-in-fact, health care proxy, patient advocate, or something similar, depending on where you live.



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Estate An estate is the total accumulation of an individual's assets. There are different subsets of an estate. A probate estate includes all of the assets that must be processed in a probate or court proceeding. A trust estate includes all assets that are held by a trust. A taxable estate includes all assets that are subject to estate tax.

Estate Plan An estate plan is the preparation of a plan to carry out the administration and disposition of a person's property according to their wishes before or after their death. The goal of an estate plan is to preserve flexibility for the individual as well as to preserve the maximum amount of wealth possible prior to death, in accordance with federal and state tax law.

Estate Planning Estate planning is the process of anticipating and arranging for the transfer or disposition of assets in anticipation of, or after, a loved one's death.

Executor A person who administers the estate of a deceased person. The executor is responsible for gathering all of the decedent's assets and giving them to the appropriate beneficiaries.

Fiduciary A person or entity with the legal duty to act primarily for another's benefit.

Guardian A person who has the legal authority to make healthcare decisions and to manage property and financial matters on behalf of another person. A guardian can be appointed by the court in the absence of a healthcare agent.

IRA Individual Retirement Account (IRA) (Also Roth IRA) An IRA is a tax-deferred investment and savings account that acts as a personal retirement fund for people with earned income.

Irrevocable Trust see Trusts.

Joint Tenancy Two or more people mutually holding legal title to property. In the event that one owner dies, the surviving owner receives the entire property.

Last Will and Testament A will for disposing of property at death. Making a will valid involves signature of the person making it and witnessed by two disinterested people (who do not stand to inherit under the will).

Living Trust A trust that becomes effective while the creator is still living.

Living Will A directive to physicians in which an individual expresses his or her end of life care and decisions.

Organ Donor Form If you choose to be an organ donor, this legal form provides proof that you want to donate organs or tissue after your death.

POLST Physician Orders for Life Sustaining Treatment Is a form that clearly states what kinds of medical treatment a person wants, including extraordinary measures (such as a ventilator or feeding tube) and CPR. Printed on bright pink paper, and signed by both a doctor and patient, POLST helps give seriously-ill patients more control over their care. POLST must be signed by you and your physician (or in California by your nurse practitioner or physician's assistant effective 2016) to be legally binding.



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Power of Attorney A document that gives another person legal authority to act on your behalf. If you create such a document, you are called the principal, and the person to whom you give this authority is called your agent or attorney-in-fact. If you make a durable power of attorney, the document will continue in effect even if you become incapacitated.

Probate The court-supervised process following a person's death that includes:

- proving the authenticity of the deceased person's will
- appointing someone to handle the deceased person's affairs
- identifying and inventorying the deceased person's property
- paying debts and taxes
- identifying heirs, and
- distributing the deceased person's property according to the will or, if there is no will, according to state law

Trust A legal agreement in which property is held and managed by a trustee for another person. The person who creates the trust is the settlor. The person who holds the property for another's benefit is the trustee. The person who is benefited by the trust is the beneficiary.

Trustee The individual or company who manages assets in a trust on behalf of the beneficiary. Typically, during a lifetime, the person who established the trust is the initial trustee.

Successor Trustee or Alternate Executor Can be a bank, private fiduciary, family member or other trusted advisor or friend.

Will A legal document stating the intentions of a deceased person concerning the distribution of their property.



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