

Key Documents, Roles & Definitions

Plain-English explanations of what each document and role does - and why it matters

Educational planning resource - not legal, tax, financial, or medical advice. Laws and terminology vary by state. Use this guide to organize your thinking and bring informed questions to qualified professionals.

Last Will and Testament

What is it?	Directs how probate property should be distributed after death and nominates an executor.
Why is it important?	Without a valid will, state intestacy law decides who receives probate property. A will can simplify administration by giving the court and family clear instructions, but it does not avoid probate.
Key role	Executor
Good fit	Organized, honest, persistent, able to work with professionals and keep records.

Power of Attorney (POA)

What is it?	Authorizes another person to handle specified financial and legal matters while you are alive.
Why is it important?	Without effective financial authority, family may be unable to pay bills, manage accounts, handle property, or act on business matters during incapacity without court involvement.
Key role	Agent / attorney-in-fact
Good fit	Trustworthy, financially responsible, detail-oriented, willing to document decisions.

Health Care Proxy / Medical Power of Attorney

What is it?	Names the person who can make medical decisions when you cannot.
Why is it important?	It gives clinicians a legally recognized decision-maker instead of forcing family to guess who has authority.
Key role	Health care agent
Good fit	Understands your values, stays calm under pressure, communicates well, and can advocate.

Living Will / Advance Health-Care Directive

What is it?	States treatment preferences and values for situations in which you cannot communicate.
Why is it important?	It gives your health-care agent guidance in situations you may never have discussed in detail.
Key role	Guides the health care agent

Good fit	Should express values and decision standards, not try to predict every medical scenario.
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HIPAA Authorization

What is it?	Allows specified people to receive or discuss protected medical information.
Why is it important?	It can help family or trusted people communicate with providers even before they have formal decision-making authority.
Key role	Authorized person(s)
Good fit	People who may need information to help coordinate care.

Appointment for Disposition of Remains

What is it?	Names the person who has authority to carry out instructions for remains, cremation, burial, or related arrangements.
Why is it important?	It reduces uncertainty and family conflict at a time when decisions may need to be made quickly.
Key role	Disposition agent
Good fit	Practical, available, emotionally able to carry out your wishes.

Revocable Living Trust

What is it?	Holds assets under trust terms while the creator generally retains control and the ability to change the trust.
Why is it important?	It can help with management during incapacity and may reduce probate for assets actually transferred into the trust, but it is not automatically necessary for everyone.
Key role	Trustee / successor trustee
Good fit	Reliable, administratively capable, and able to follow the trust terms.

Beneficiary Designations

What is it?	Direct who receives certain retirement accounts, insurance proceeds, or other designated assets at death.
Why is it important?	These designations can control independently of the will, so outdated beneficiaries can defeat an otherwise careful estate plan.
Key role	Beneficiary
Good fit	The intended recipient; review after major life events.

Common roles

Role	What it does	What to look for
Executor	Administers the probate estate after death.	Organization, honesty, stamina, recordkeeping, willingness to deal with courts and professionals.
Financial agent / attorney-in-fact	Acts under a POA while you are alive.	Trust, judgment, recordkeeping, responsiveness. This person does not need to be a lawyer.
Health care agent	Makes medical decisions when you lack capacity.	Understands your values; can tolerate uncertainty and pressure; can communicate and advocate.
Trustee	Manages assets held in trust according to the trust terms.	Integrity, administrative competence, impartiality and patience.
Successor / alternate agent	Steps in when the first-choice person cannot or will not serve.	Should independently be capable of doing the job.
Local coordinator	Practical role: visits, communicates observations, locates documents, helps distant family.	Proximity, reliability, good communication. Formal legal authority is optional.
Daily money manager	Professional help with bill payment, account organization, reconciliations and paperwork.	Useful when family wants oversight but not routine administration.
Creative / IP manager	Handles licensing, archives, releases, copyrights or artistic decisions when specialized assets exist.	Subject-matter judgment; may be different from the person who receives the economic interest.
Guardian	Court-appointed decision-maker when advance arrangements are absent or insufficient.	A fallback, not usually the preferred first-line plan.

Terms that commonly cause confusion

Term	Plain-English meaning
Probate	Court process for validating a will and authorizing estate administration.
Probate asset	Property that passes through the estate rather than by another transfer mechanism.
Non-probate asset	Property that passes by beneficiary designation, joint ownership, trust, or similar mechanism.
Principal	The person who grants authority under a POA.
Agent / attorney-in-fact	The person authorized under a POA; not necessarily a lawyer.
Fiduciary	Someone legally obligated to act for another person's benefit and follow applicable duties.
Capacity	Ability to understand and make the relevant decision; it can vary by decision and over time.
Durable	Authority that continues despite later incapacity, where applicable.
Springing / contingent	Authority intended to become effective after a defined future event.
Per stirpes	A common inheritance method under which a deceased beneficiary's share generally passes down that beneficiary's family line.
Medicare	Federal health insurance. It is not a general long-term custodial-care program.
Medicaid	Means-tested public coverage that may pay for qualifying long-term-care services; eligibility rules are state-specific and time-sensitive.