

Your *Trust* Matters

July 2021 Newsletter



MidWestOne™
TRUST SERVICES



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Hello Valued Customers and Friends!

Recently I read the story of Rip Van Winkle to my children and I found myself relating to his long sleep! I think maybe we all can. As a community we went to sleep for a time but now we are slowly waking up. I see many of you shaking off the dust from a long hibernation and picking up tasks that have long been deferred. In this time of revival, I'd like to encourage you to take a second to consider your estate planning documents. Are they what they should be? Below is a quick list and description of what I think you ought to have ready.

There are five estate planning documents you may need, regardless of your age, health, or wealth:

1. Durable power of attorney
2. Advance medical directives
3. Will
4. Letter of instruction
5. Living trust

The last document, a living trust, isn't always necessary, but it's included here because it's a vital component of many estate plans.

Durable power of attorney: A durable power of attorney (DPOA) can help protect your property in the event you become physically unable or mentally incompetent to handle financial matters. If no one is ready to look after your financial affairs when you can't, your property may be wasted, abused, or lost. A DPOA allows you to authorize someone else to act on your behalf, so he or she can do things like pay everyday expenses, collect benefits, watch over your investments, and file taxes. In my experience this is the most cited of all documents that family caregivers wished their loved ones had. We specialize in serving as Power of Attorney for many of our clients so if this is something you are interested in please contact myself or your preferred trust officer.

Advance medical directives: Advance medical directives let others know what medical treatment you would want, or allows someone to make medical decisions for you, in the event you can't express your wishes yourself. If you don't have an advance medical directive, medical care providers must prolong your life using artificial means, if necessary. With today's technology, physicians can sustain you for days and weeks (if not months or even years).

There are three types of advance medical directives. First, a living will allows you to approve or decline certain types of medical care, even if you will die as a result of that choice. You may want to have one to serve as evidence of your wishes.

Second, a durable power of attorney for health care allows you to appoint a representative to make medical decisions for you. You decide how much power your representative will or won't have.

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Finally, a Do Not Resuscitate order (DNR) is a doctor's order that tells medical personnel not to perform CPR if you go into cardiac arrest. There are two types of DNRs. One is effective only while you are hospitalized. The other is used while you are outside the hospital.

Will: A will is often said to be the cornerstone of any estate plan. The main purpose of a will is to disburse property to heirs after your death. If you don't leave a will, disbursements will be made according to state law, which might not be what you would want. There are two other equally important aspects of a will: 1. You can name the person or entity (executor) who will manage and settle your estate. If you do not name someone, the court will appoint an administrator, who might not be someone you would choose. If naming an individual doesn't seem appropriate, please consider naming MidWestOne Bank. As your trusted financial partner we are often in the best position to settle your affairs when you are gone. 2. You can name a legal guardian for minor children or dependents with special needs. If you don't appoint a guardian, the state will appoint one for you.

Keep in mind that a will is a legal document, and the courts are very reluctant to overturn any provisions within it. Therefore, it's crucial that your will be well written and articulated, and properly executed under your state's laws. It's also important to keep your will up-to-date.

Letter of instruction: A letter of instruction (also called a testamentary letter or side letter) is an informal, nonlegal document that generally accompanies your will and is used to express your personal thoughts and directions regarding what is in the will (or about other things, such as your burial wishes or where to locate other documents). This can be the most helpful document you leave for your family members and your executor. Unlike your will, a letter of instruction remains private. Therefore, it is an opportunity to say the things you would rather not make public. A letter of instruction is not a substitute for a will. Any directions you include in the letter are only suggestions and are not binding. The people to whom you address the letter may follow or disregard any instructions.

Living trust: A living trust (also known as a revocable or inter vivos trust) is a separate legal entity you create to own property, such as your home or investments. The trust is called a living trust because it's meant to function while you're alive. You control the property in the trust, and, whenever you wish, you can change the trust terms, transfer property in and out of the trust, or end the trust altogether. Not everyone needs a living trust, but it can be used to accomplish various purposes. To learn more about Trusts and how we can help contact myself or another member of the Trust Department team.

Best wishes to everyone for a healthy and reviving summer.

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