



## ESTATE PLANNING DICTIONARY 2024

<b>Administrator</b>	For estates administered prior to April 1, 2012, the fiduciary appointed by the Probate Court to settle your estate if you die without a Will (intestate).
<b>Attorney-in-fact</b>	The individual named in a Durable Power of Attorney to manage your legal and financial affairs.
<b>Beneficiary</b>	Anyone who receives benefits from any source, for example, a life insurance policy, annuity, IRA or other retirement plan; also those who receive benefits from a Trust.
<b>Bypass, Credit Shelter, or AB Trust</b>	A trust which makes use of the Federal and applicable State Unified Estate and Gift Tax Credit to avoid or reduce estate taxes.
<b>Codicil</b>	A document which makes changes or additions to your existing Will.
<b>Conservator</b>	A fiduciary appointed by the Probate Court to manage the estate of a protected person.
<b>Declaration of Homestead</b>	A Declaration which is recorded at the Registry of Deeds and protects up to \$500,000.00 (in Massachusetts) of the equity value of your home from most creditors. Effective March, 2011, Massachusetts homeowners receive automatic homestead protection of \$125,000.00 without the need for a Declaration.
<b>Donee</b>	An individual who receives a gift.
<b>Donor</b>	An individual who makes a gift or creates a Trust.
<b>Durable Power of Attorney</b>	A document which names someone to manage your financial and legal affairs. The grant of authority can be revoked; otherwise, it remains effective as long as you are alive, regardless of your mental capabilities.

**Estate Tax**

A tax imposed on all assets that you own or which are under your control at the time of your death. These taxes are paid from the assets prior to the assets being distributed to your beneficiaries. As of January 1, 2024, the Federal Estate Tax exemption equivalent is \$13,610,000.00 for individuals and \$27,220,000.00 for married couples. These exemption amounts are scheduled to increase with inflation each year until 2025. On January 1, 2026, the exemption amounts are scheduled to revert to the 2017 levels (\$5,490,000.00 and \$10,980,000.00 respectively). The Massachusetts estate tax exemption is \$2,000,000.00 for deaths occurring on or after January 1, 2023. For deaths prior to January 1, 2023, the Massachusetts exemption was only \$1,000,000.00.

**Executor**

For Wills probated prior to April 1, 2012, the fiduciary named in your Will to carry out the directives contained in your Will.

**Gift Tax**

A Federal tax imposed on the donor of gifts in excess of \$18,000 per year per recipient. There is no Massachusetts gift tax.

**Grantor, Settlor, Trustor**

An individual who establishes a Trust.

**Guardian**

A fiduciary appointed by the Probate Court for the protection of minors and incapacitated persons who lack the ability to meet essential requirements for physical health, safety, or self-care.

**Health Care Agent**

The individual named in your Health Care Proxy to communicate your wishes concerning health care matters upon your incapacity.

**Health Care Proxy**

A document which names someone to be your spokesperson to communicate your wishes concerning health care matters upon your incapacity. The designation of a Health Care Agent is legally binding in Massachusetts.

**HIPAA Authorization**

Gives someone present authorization to receive protected health information.

**HIPAA Representative**

The person named in a HIPAA Authorization to receive protected health information.

<b>“In Trust For” Accounts, also known as “Totten Trusts”</b>	A type of bank account established in your name as the Trustee for the benefit of another person. The beneficiary receives the proceeds of the account upon your death, without probate.
<b>Intestate</b>	Means you die without a Will, in which case your estate passes to your heirs at law (not the State).
<b>Irrevocable Trust</b>	A Trust which cannot be changed, revoked or amended by the Grantor.
<b>Joint Tenants</b>	A method of co-ownership of assets that conveys with it control over the whole asset or property and a right of survivorship between the joint owners.
<b>Life Estate</b>	The ownership and possession of an asset (typically real estate), so long as you are alive. Upon the death of the life tenant, the asset or property is owned automatically by the holder of the remainder interest without probate.
<b>Living Trust</b>	A Trust of any kind established during the lifetime of the Grantor by the signing of a Trust Agreement or Declaration of Trust.
<b>Living Will</b>	A document which contains specific directives about your health care. Such documents, although informative, are not legally binding on hospitals and physicians in Massachusetts.
<b>Marital Deduction</b>	For Massachusetts and Federal Estate Tax purposes, a 100% deduction for all assets passing from you to your surviving spouse.
<b>Medicaid or “MassHealth”</b>	A needs-based system available to individuals of any age provided the individual meets the qualification criteria. Community Medicaid provides medical services to individuals living in the community who have low income and low assets. Long Term Care Medicaid pays for the nursing home care of individuals of any age provided they meet the long-term care medical and financial eligibility criteria.
<b>Medicare</b>	A federal, Social Security based, major medical insurance program, the benefits of which are available to participants in the Social Security

System who have attained age 65 and certain other disabled or dependent individuals.

**Per capita**

Dividing an estate into equal shares to all individuals, regardless of generation.

**Personal Representative**

For Wills probated or estates administered on or after April 1, 2012, the fiduciary named to carry out the directives contained in your Will, or appointed by the Probate Court to settle your estate if you die intestate (formerly known as the “Executor” and “Administrator” respectively).

**Per stirpes**

Dividing an estate by generation of beneficiaries. For example, grandchildren divide the share to which their deceased parent (your child) would have been entitled.

**Pooled Trust Account**

A professionally managed pooled-investment trust that enables disabled individuals who are receiving needs based public benefits to receive supplemental support while maintaining eligibility for those benefits. Upon the death of the disabled individual, the State is reimbursed out of the remaining assets in the trust account.

**Pour-Over Will**

A document which provides for your probate assets to pass or “pour over” into a Trust to be distributed under its terms.

**Probate**

The process of filing a Will with the Probate Court, so that the provisions of the Will can be carried out.

**Revocable Trust**

A Trust which can be changed, amended, revoked by the Grantor.

**Special or Supplemental Needs Trust**

A Trust which provides for administration of assets for disabled individuals. The funds held in such trusts are not counted as assets of the disabled individual for eligibility for public benefits programs.

**Springing Durable Power of Attorney**

Grants to another the authority to handle your legal and financial affairs only in the event you actually become disabled, ill or incapacitated. The determination of such disability, illness or incapacity is typically made by your physician.

<b>Tenants by the Entirety</b>	A special kind of joint ownership only available to a married couple that provides some protection to one spouse from the creditors of the other spouse.
<b>Tenants in Common</b>	A method of co-ownership that conveys control over a portion of the asset or property and gives each owner the right at death to pass his share by Will or by intestacy. There is no right of survivorship between the co-owners.
<b>Testamentary Trust</b>	A Trust established pursuant to the provisions of your Will.
<b>Testator or Testatrix</b>	The individual who makes a Will.
<b>Trust</b>	A separate legal entity created by the signing of an Agreement or Declaration, which is the document that describes how the assets in the Trust are administered and distributed.
<b>Trustee</b>	The person or institution that manages a Trust.
<b>Unified Credit</b>	Under Federal Estate and Gift Tax law, a credit to be applied to offset gift taxes during life and estate taxes at death.
<b>Will</b>	A document which provides for your probate assets to be distributed to the designated beneficiaries.