



Andrea L. Jakob, PA

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Estate Planning for Schoolteachers: How Your Benefits Fit Into Your Plan

As a teacher, you spend your days caring for students, managing a classroom, and keeping everything moving. With so much on your plate, estate planning can be easy to put off.

But estate planning is not just for people with a lot of money. It is about making sure the people you love are protected if something happens to you.

For teachers, this is especially important because your estate may include more than a house, bank account, or personal belongings. You may also have school-related benefits, such as a pension, retirement account, life insurance, disability benefits, or unused sick and leave time.

These benefits can be valuable, but they do not always pass through your will. That is why they need to be reviewed as part of your overall estate plan.

Common Benefits Teachers May Have

Every school district and retirement system has its own rules, but many teachers have some combination of the following:

Pension Benefits

Many public school teachers participate in a pension plan. A pension may provide income during retirement and may also offer survivor benefits for a spouse or another loved one.

The rules can be strict. In some cases, the choices you make when you retire can affect what your spouse or family receives later.

403(b) or 457(b) Retirement Accounts

Teachers often use 403(b) or 457(b) accounts to save extra money for retirement.



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These accounts usually go directly to the person named as beneficiary on the account. That means your beneficiary form may control who receives the money, even if your will says something different.

Life and Disability Insurance

You may have insurance through your school district, and you may also have separate policies you bought on your own.

Like retirement accounts, life insurance usually goes to the beneficiary listed on the policy. Keeping those names updated is very important.

Unused Sick, Vacation, or Personal Leave

Depending on your district's policies or union agreement, unused leave time may have financial value. It may be paid out when you retire, resign, become disabled, or pass away.

Because the rules vary, it is worth finding out what benefits you have and who can receive them.

Student Loans or Public Service Loan Forgiveness

Some teachers have federal student loans or are working toward Public Service Loan Forgiveness. It is important to understand what happens to those loans if you die or become disabled, and how they fit into your overall financial picture.

Why Your Benefits Matter in Estate Planning

Many people think their will controls everything they own. But that is not always true.

Some assets pass by beneficiary designation instead. This means they go directly to the person listed on the account or policy.

This can include:

- Retirement accounts
- Life insurance



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- Certain pension benefits
- Some payable-on-death or transfer-on-death accounts

Because of this, your will, trust, and beneficiary forms all need to work together.

For example, if your will says everything should go equally to your children, but your life insurance names only one child as beneficiary, that insurance money may go only to that child.

That may be what you want — or it may be an accident.

Key Documents Teachers Should Have

A strong estate plan usually includes several important documents.

A Will

A will says who should receive property that does not pass another way. It can also name a guardian for minor children.

Even if many of your benefits pass outside your will, a will is still an important safety net.

A Revocable Living Trust

A trust may help avoid probate, keep things organized if you become incapacitated, and manage money for children or loved ones who may need extra help.

A trust is not necessary for every teacher, but it can be very helpful in the right situation.

Power of Attorney

A power of attorney allows someone you trust to handle financial matters if you are unable to do so yourself.

This can include paying bills, managing accounts, handling insurance, or dealing with retirement benefits.



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Healthcare Directives

Healthcare documents allow someone you choose to make medical decisions if you cannot speak for yourself.

These documents help your loved ones avoid confusion during an already stressful time.

Common Mistakes Teachers Should Avoid

Because teachers are busy, it is common to fill out benefit forms once and forget about them. But outdated paperwork can create major problems later.

Here are some common mistakes:

Forgetting to Update Beneficiaries

Marriage, divorce, remarriage, the birth of a child, or the death of a loved one can all change who should receive your benefits.

Your beneficiary forms should be reviewed regularly.

Naming a Minor Child Directly

If a minor child is named directly as beneficiary, a court may need to get involved before the money can be managed.

A trust may be a better option because it lets you choose who manages the money and how it should be used.

Not Naming Backup Beneficiaries

A backup beneficiary is also called a contingent beneficiary. This person receives the asset if your first choice cannot.

Without a backup, the account may end up going through probate.

Assuming Your Will Controls Everything



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Your will may not control your pension, retirement accounts, or life insurance. The beneficiary forms often control those assets.

That is why your whole plan needs to be coordinated.

Overlooking Smaller Benefits

Unused leave time, supplemental insurance, or other district benefits may seem small, but they can provide meaningful support to your family.

A Practical Next Step

A good place to begin is by gathering your most recent benefit statements and beneficiary forms.

This may include:

- Pension information
- 403(b) or 457(b) statements
- Life insurance policies
- Disability insurance information
- Sick leave or accrued leave policies
- Any beneficiary confirmation forms

Once you know what you have, we can help you make sure your estate plan and your benefits are working together. You worked hard for these benefits. With the right planning, they can protect the people who matter most.