

IS YOUR ESTATE PLAN UP TO DATE?

Not
Sure No Yes

1. HAVE YOU PREPARED A WILL OR A TRUST?

If not, be aware that you are relying on the state legislature to determine how your assets pass, to whom they pass, and when they pass. In addition to having potentially undesired results, this is the most costly and time consuming means of passing your assets to your loved ones.

2. IF YOU HAVE DONE A WILL OR TRUST, HAS IT BEEN REVIEWED IN THE LAST TWO YEARS?

Even assuming that there have been no personal changes since your plan was last reviewed; there have been multiple law changes since 2001. An out-of-date estate plan is just as bad as no estate plan at all. Keeping your plan current is vital to achieving the goals you want to accomplish.

3. ARE ALL OF YOUR HEIRS OVER THE AGE OF 21 AND FINANCIALLY RESPONSIBLE?

Proper planning is crucial to prevent an heir from squandering his or her inheritance, or worse, from causing harm to himself or herself.

4. ARE YOU ABSOLUTELY CERTAIN THAT YOUR ASSETS WILL NOT BE SUBJECT TO PROBATE?

We encourage you to make a list of each asset you own and identify how each asset is going to avoid probate. Assets owned as “joint tenants with rights of survivorship,” assets owned in the name of a trust, and assets that pass by beneficiary designation (such as IRAs, life insurance, etc.) will avoid probate. Everything else is subject to probate. (Also, note that assets owned jointly are typically subject to probate upon the death of the last joint tenant.) Probates can be costly and typically require twelve (12) to eighteen (18) months from the date of death to conclude.

5. DOES YOUR CURRENT PLAN PROVIDE YOUR HEIRS WITH ASSET PROTECTION, DIVORCE PROTECTION, AND LAWSUIT PROTECTION?

The most common means of providing for heirs is with outright distributions. By doing so, however, the inheritance becomes subject to the creditors of your heirs.

6. IS THIS YOUR FIRST MARRIAGE?

Second or subsequent marriages present unique planning issues, particularly if both spouses have children from a prior marriage. Proper planning is critical to prevent undesired results.

7. DO YOU HAVE ASSETS TITLED JOINTLY WITH A CHILD OR CHILDREN, OR SOMEONE ELSE?

Holding assets jointly with someone other than a spouse is quite common, but has potentially devastating consequences. A creditor of a joint tenant can take the *entire asset* to satisfy the creditor’s claim. A creditor would include a divorcing spouse, judgment creditor, or business creditor. Additionally, problems can be created if joint tenants die in the wrong order.

If you answered “No” to any of the above questions or “Yes” to #7, you should make an appointment to speak to an attorney from the Longo Law Group about your estate plan.