



The Eight Most Pressing Questions About Estate Planning

Trusts & Estates board members weigh in on what most concerns their clients.

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Advisors are used to figuring out the most sophisticated and nuanced of solutions to custom-tailor each plan to fit the needs of each client. However, it's sometimes the simpler, less technical questions that touch on the humane aspect of estate planning that need our attention. We asked *Trusts & Estates'* esteemed board members what some of those most frequently asked questions are and their take on a concise, thorough response. Whether you're a newly minted estate planning attorney or a seasoned professional, here's some insight on the questions commonly plaguing clients. Perhaps, it's something to consider next time you're talking to a client or when modernizing and updating the FAQs section of your firm's website.

pay probate fees in order to avoid assuming debt. Having a plan will allow them to avoid that.

Question: What keeps me awake at night isn't my money, it's worrying about my family and the impact the inheritance I leave them will have on them. Any suggestions?

Answer: Estate planning is about both the head and the heart. In addition to engaging in the financial aspects of planning, you should also consider legacy planning. Research shows that the primary way families avoid "shirtsleeves to shirtsleeves in three generations" is to conduct regular family meetings. These meetings help prepare heirs and also foster communication and trust among family members. Consider adding to the estate plan a trust that's dedicated to endowing the family meeting process to help insure it continues after you're gone.

Question: Do I really need an attorney to draft my will?

Question: Do I need a trust?

Answer: The answer is always “it depends.” Whether trust planning makes sense depends on the client’s goals and concerns, the client’s assets and net worth, state law, and other concerns that the attorney might bring up such as a desire for privacy or the existence of a special needs beneficiary.

giving them a roadmap to navigate through the minefields when you become disabled or die. So much of the information they will need isn't in your package of documents: where your assets are located, passwords, key contacts, wishes for your long-term care, even down to your favorite colors or TV shows, so they'll know all this one day when you're unable to communicate.

Question: What's the most overlooked area of estate planning?

Answer: Business succession planning. Most owners of family businesses act as if they're going to live forever and have done no planning to address what will happen to their business when (not if) they aren't here to run it. Our job as estate planners is to prod them to address not only how business ownership will pass, but also business management (which are different concepts). The owners often consider themselves indispensable, but as Charles de Gaulle famously said, "cemeteries are full of indispensable people."

Question: If I add my child to my bank account, do I still need a power of attorney?

Answer: Adding someone's name to an account typically means that they have become a joint owner of your account. This may have legal ramifications such as subjecting your funds to the claims of the joint account holder's creditors or passing outside of your will despite your intent for multiple individuals to share in your estate. In addition, a joint owner on a bank account can't collect money should someone owe you or sell property on your behalf or enter into contracts on your behalf. A power of attorney is a broad legal document that will allow someone you trust to assist you with the business of life, which encompasses much more than

trust account. Because you paid it personally you may have to now file a gift tax return since that payment by you was really equivalent to a gift to the trust. (Clients frequently don't handle trust fees correctly, paying them from personal or business accounts without regard to the tax, asset protection and legal implications of it all.)