

What You Don't Know Can Hurt You

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So I'm an estate planner ...well ... what's that mean? That's a question I get all the time, whether by a prospective client or a neighbor or somebody sitting next to me at the bar. My answer: I make things easier for families during the worst possible situations. Whether that is a result of a loved one dying, becoming incapacitated, getting divorced ...

But let's be honest, isn't estate planning the easiest thing to put off and not talk about? I mean it's morbid... sad to think about. So how do I as an estate planner get people to talk about it? Simple... FEAR! Allow me to share the many things that can go wrong if you don't have an estate plan... something I call the *Did You Know* list.

So did you know without proper planning ...

- In Missouri and many other states, if you die without an estate plan (a Will or Trust), your separate property passes 50% to your spouse and 50% to your children?
- Transfer on death, payable on death, and beneficiary designations trump your Will or Revocable Trust?
- The estate tax rate is 40%?
- A Will DOES NOT avoid probate?
- A minor child cannot receive an inheritance without strict court supervision?
- The death benefit of life insurance is potentially subject to estate tax upon your death?
- Your child with disabilities will be disqualified from public benefits?
- Wills generally do not contain estate tax planning?
- If you die before your divorce is final, your spouse will still inherit from you?

- If estate taxes are due, then sometimes the taxes are not equally shared by all the beneficiaries?
- Assets left to your children may be subject to creditors or potential ex-spouses?
- Jointly held property could be subject to creditors or liabilities of either joint owner?
- If a person dies while on Medicaid, the government can take your home?
- Probate is public, expensive and lengthy?
- No adult (spouse or anyone else) can make medical or financial decisions for you?
- If you own more than 50% of a company and that company owns life insurance on your life, the death benefit of such life insurance will be subject to estate tax?
- Retirement benefits will be subject to estate tax upon your death and also be subject to income tax when such benefits are distributed to your beneficiaries?
- Forgiveness of debt is a gift, subject to gift tax?
- Transfers to grandchildren may be subject to an additional tax known as the generation skipping transfer tax?

Fear seems to motivate many to address the ever so important process of estate planning. It's time to do your estate planning in the event of a tragedy. Bottom line is that with a proper estate plan all of the above unintended consequences can be alleviated ... thus easing the tremendous burden on your family. Now ... get your estate plan done! You owe it to yourself and your loved ones.