

Trouble in Transition

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"Life is pleasant. Death is peaceful. It's the transition that is troublesome" – Isaac Asimov, American science fiction novelist and scholar

Though it may not be exactly what Isaac Asimov meant, I couldn't help but think about his quote this past week as my family faced the unexpected and WAY too soon passing of one of our own. Transition is hard ... I mean really hard! Grieving may be exhausting ... both physically and mentally but it is an essential and extremely important process for any family in this situation to go through. I couldn't help but think (and yes, I am an estate planner, so it's hard not to think like one) how my family's grieving might just be easier if the "transition" was not as troublesome.

Like many others that have suffered a loss, it is often a time to reflect and a time to use the loss in a positive way (... if that is even possible to do). I often hear from many of my clients that it was a death in their family that motivated them to see me ...you know ... to get their ducks in a row. Though there may be many reasons to do estate planning, the most common reason is to ease the transition of what all legally and financially (and sometimes emotionally) happens upon one's death. All too many times, especially in the case of an untimely death, unintended consequences occur due to not planning for the inevitable ... ranging from difficulty in funeral arrangements ... to income and estate tax liabilities ... to family disputes and conflicts ... and the list goes on. Actually, let me share with you such a list (well ... just a snippet of a list since a comprehensive list would likely take an entire day to read) of "did you knows."

So did you know ...

- If you die with no estate plan, that half of your assets go to your surviving spouse and the other half go to your children?
- A Will does not avoid probate?
- The way you title your assets can trump your estate plan documents?
- A minor child cannot receive an inheritance without court supervision?

- With proper planning, you can leave your children an inheritance that is protected from any potential divorce that may result in their lifetime? Or potential creditors? Or even potential future estate tax liabilities?
- The federal estate tax return is 40%?
- Life insurance death benefit may be subject to estate taxes?
- Absent powers of attorney, your spouse has no authority to make your health or financial decision if you are incapacitated?

What does one do with their assets and personal property? What does one do when they have a blended family? Or estranged relationships? Or loved ones with special needs? Or no liquidity to pay estate taxes? ... ok ... ok ... you get the point.

I decided to write this blog post to really make a rather simple point. PLAN! Please plan for the inevitability of your passing whether it be untimely or (knock on wood) many ... many ... many years down the road. Make the transition less troublesome for your family.

To my family who read this blog – I love you and stay strong!