7 PRICELESS TIPS

ON HOW YOUR ESTATE PLAN SHOULD BE PROTECTING YOUR *children*

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HAVE AN EMERGENCY PLAN FOR THE BABYSITTER IN CASE SOMETHING *Unexpected* HAPPENS.

When most parents think about choosing a guardian, moms and dads tend to focus on who would raise their children if something were to happen to them. But there is more to guardianship than this.

The most immediate need for your children is what would happen in an EMERGENCY.

Let's say you're out on a nice date and you told the babysitter you would be home at 10 p.m. but it gets to be 11 o'clock, you haven't made it home, and your babysitter is in a panic. In an emergency, you want the babysitter to call a trusted friend or loved one who lives close by before they call the police (unless of course they know it is a true emergency).

With a short-term guardianship plan in place, your babysitter knows ahead of time who to call first, who to call next in case your first choice is not available, and so on. The point is that *there is a plan in place, and it involves the people you love and trust most.*

CHOOSE THE *Right* GUARDIAN FOR YOUR KIDS.

The best choice for who should raise your children depends on many factors.

The factors that matter most when choosing a guardian include your children's relationship with their potential guardian and where the guardian lives. And the better your children know their guardian, the easier it will be for the children to accept them as a parent figure.

Other important factors include the potential guardian's age, religion or spirituality, parenting philosophy, personal values, and how they would discipline your children. Surprisingly, a potential guardian's own financial resources should not be a consideration; you as a parent should make sure you leave behind plenty of assets to pay for the raising of your children, such as with a life insurance policy.

One of the best gifts you can give your children and their guardian in a time like this is a written letter of your desires and wishes.

You can keep a journal or letter of your major milestones such as where you grew up and went to college, where you got married, and what your favorite family traditions are. For your children's guardian, you can leave advice about your children's daily routines, favorite dishes, and cherished keepsakes.

Ultimately, it will be letters like this, or a video of you, that your children will cherish most.

YOUR CHILDREN'S GUARDIAN DOESN'T HAVE TO BE THE SAME PERSON AS WHO IS IN CHARGE OF YOUR CHILDREN'S *Inheritance*.

The best person to be your children's guardian may not be the best person to be in charge of your children's checkbook, and it's completely ok if this is the case.

Who should step into your shoes to raise your children if you can't is an entirely different question than who should ensure your assets are properly invested and administered.

Your children's financial guardian should make the same decisions you would as a parent.

The main factors to consider when choosing a "trustee" (the person in charge of what you leave behind to your children) include their affinity for proper and timely recordkeeping and your confidence they will ensure funds are spent on appropriate things, such as education and camp, and not on inappropriate things, such as a brand new car or the latest electronic fad or even themselves personally.

If you choose a different person for guardian and trustee, ensure you can count on them to communicate with each other. A decision the guardian makes for your children—such as where they go to school and what extracurricular activities they're involved in—necessarily involves expenditures, and this is where your trustee comes in.

Leave behind your desires and wishes in writing so that both your guardian and trustee are on the same page about what you as a parent want for your children.

IF YOU CHOOSE A *Couple* AS GUARDIAN, SPECIFY WHAT HAPPENS IF THERE IS AN ACCIDENT OR A DIVORCE.

One of the most common mistakes in naming a guardian is to choose a happily married couple but neglect to specify what happens if they get divorced or if one gets into an accident. Likely you would allow the children to stay with one individual, but not with the other.

Here's an example: My husband and I have chosen his brother and sister-in-law as our children's guardians. They are happily married and have two kids around the same age as our children, and we can't imagine they would ever get divorced. If something happened to us as parents, the best home for our children is with them. But if they have to step into our shoes as guardians for our children, and then two years pass and they get a divorce, we would want our children to stay with my husband's brother as the sole guardian. However, if my husband's brother were to get into an accident, we might be ok with his wife being a single parent in this scenario. It all depends on what you as a parent believe is in the best interest of your children.

If you don't put in writing what you prefer in the case of accident or divorce, then nobody—not even a probate judge—knows your wishes.

You can easily avoid this uncertainty by addressing what happens when a couple gets divorced or is in an accident.

GIVE *Copies* OF YOUR ESTATE PLAN TO YOUR KIDS' GUARDIAN AND TRUSTEE.

You may have the most well-laid-out estate plan possible, but unless someone else knows it exists and how to find it, your desires may never actually play out.

Ensure your estate plan is readily accessible at the time it is most needed. The best way to ensure it is accessible is to give a copy to your children's guardian and trustee.

The easiest way to do this is to create electronic copies of your signed documents. Then send an email to the guardian and trustee with the electronic copies as attachments. Let them know in the email that this is your estate plan and to keep it in a safe folder in their email inbox until there is a time when it is needed (they'll know when that time comes). Copies work just as well as originals in an emergency.

Generally, your originals should not be kept in a safe deposit box. No one can access a safe deposit box outside of business hours, and you don't want to handcuff your powers of attorney, guardian, and trustee who wouldn't be equipped to help you just because it is a night or weekend.

Instead, keep your originals at home. The only real dangers are fire and water; if you keep your estate planning documents in a sealed up hefty bag and in—of all places—the freezer, the documents are pretty safe from both. But again, be sure someone else knows where the originals are!

Don't NAME YOUR CHILDREN'S GUARDIANS IN YOUR LAST WILL.

It is very common—but a mistake—to name a guardian in your Last Will. The catch is that a Will is only enforceable once you've passed away. You are more likely to be incapacitated or disabled than to die suddenly, and if you're incapacitated or disabled you can't be a parent to your children and they'll need a guardian.

Your children's guardian would be caught in a "no man's land" if long-term guardianship is buried in your Will.

Instead, name your guardian in a legal document separate from your Last Will called a "Nomination of Guardian."

Without your wishes in an enforceable legal document, the probate judge has to entertain all interested persons' viewpoints about who should be parent to your children, and your children could end up with someone you would have never chosen.

USE A REVOCABLE LIVING TRUST SO THAT YOUR FAMILY *Avoids* THE PROBATE COURT.

One of the biggest estate planning myths out there is that a Last Will avoids probate. Not so!

The downside of probate is that it is time-consuming, uncertain and public.

Imagine that you're carrying in your arms all of your "stuff" (your home, life insurance, bank accounts, and so on). If you're walking along a sidewalk and then trip and fall on a crack, all of your stuff is scattered about all over the sidewalk and street. Your loved ones have to go to the probate court and pay the court fees to get permission to pick up everything strewn about. In the meantime your assets sit stagnant but the bills and financial responsibilities keep coming.

Probate can be avoided with a Trust. Imagine that instead of carrying everything in yours arms, you carry it in a little kids' backpack. Your backpack holds all of your stuff. When you trip at the playground, your trustee steps in and immediately grabs onto the straps of the backpack—in other words, your trustee has immediate access to your assets to use how you would have wanted. The Trust "agreement" is the backpack itself: it tells your trustee exactly what to do, they don't need a probate judge's permission to begin the process, and best of all, it's not public.

Even if you think you have a small estate, a Trust may be right for you in the right circumstances, which your Attorney can help you figure out.

Once you have your Trust in place, as you acquire things in the future you simply put it in into your "backpack" (in your Trust) and you can save your family the hassle of the probate court.

BE SURE TO *Review & Update* YOUR ESTATE PLAN, AND PUT AN ESTATE PLANNING ATTORNEY IN CHARGE OF KEEPING YOU ON YOUR TOES!

Once families put an estate plan in place, they often think, "Whew, that's done. Now I don't have to think about that anymore." But real peace of mind comes with knowing estate planning is more than a once-in-a-lifetime check-the-box occasion.

Estate planning is a process, not a one-time event.

Your powers of attorney, guardianship documents, Last Will, Living Trust, and other estate planning documents are *living documents*. Your estate plan should be updated as your circumstances change and your family grows.

We know for sure your life will change and the law will change. This means your estate plans need to change too.

You want to find an estate planning attorney who will keep everything up to date for you, review your documents regularly, and provide you with continuing guidance on an ongoing basis without hourly fees.

We know **you may feel overwhelmed** by the idea of meeting with an attorney or thinking about a hard subject. Many of our client families have **felt the same way**. **What they found** was that after they sat down with us to talk about estate planning, **they were SO glad they did.**

You're invited to a Free Educational Estate Planning Talk to **discover** how you can implement all these tips and **make sure your children and your assets are protected.**

WE WILL HELP YOU:

- ✓ Choose the **right guardian** for your kids
- ✓ Get your **financial house in order** and keep it that way
- ✓ Ensure your kids (and spouse) **are prepared for life** without you
- ✓ Discover how to keep your assets **out of court**
- ✓ Learn the secret to protecting your kids' inheritance **from lawsuits and divorce**

Attend our FREE talk. RSVP at

willsandwellness.com/free-talks

or

Call us at (720) 266-8190

for your estate planning consultation