



Alerts

Top Ten Reasons to Avoid Planning for Your Estate... Yes, You Read That Correctly

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Estate Planning Alert

It's the holiday season and while New Year's resolutions are still several days away, it's never too early to start planning for the procrastinators among us. To help move things along for folks who lack motivation, are just too lazy or otherwise don't want to deal with the fact of their own mortality, Hinshaw's estate planning team has assembled a top ten list of reasons to ignore estate planning altogether.

Reason #10: If you are survived by a spouse and kids in a state such as Indiana and Illinois, they each automatically get half of each asset, and the kids get full control of their share when they turn 18. We just hope they will be cooperative and agree on everything.

Reason #9: You saved yourself a few thousand dollars by not preparing a will and maybe a trust. Yes, estate planning could help avoid thousands of dollars in future probate costs and attorneys' fees when your family settles your estate, and a will or trust could have saved your family thousands in estate taxes. However, Grandmother almost certainly knew best when she said "a penny saved now is a penny earned now;" money you can use to buy a new motorcycle tomorrow.

Reason #8: Your persistent optimism tells you that after you die, the court will definitely appoint an honest, trustworthy and reliable person to manage your estate administration. However, if that person happens to be your spouse, you can be assured that he or she will have to post an expensive surety bond to be able to serve in such a capacity, even if the whole estate is going to be his or hers when all things are said and done.

Reason #7: If you are not survived by a spouse but have children who are minors, your optimism once again tells you that you can trust the court system to appoint an honest, trustworthy and reliable person to manage your remaining assets for your children, at least until they turn 18, at which time they can buy a Porsche and head to Colorado to ski until your money runs out.

Reason #6: If you are unlucky enough to be in a persistent vegetative state but not dead, the money you saved by not fretting about an estate plan with advance healthcare directives will now be spent many times over on medical bills you have no control over. And if you have no spouse or adult children, let's

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hope that your court appointed guardian who makes your healthcare decisions and manages your assets is honest, trustworthy and reliable, and that he or she won't find the cheapest nursing home for you while he or she uses your money for himself or herself.

Reason #5: You want your family to fully experience all the drama and legal fees involved in a good fight between family members over the family heirlooms, pictures and all the rest of your personal property. If you're really lucky, the fight will be so ugly they will never have Thanksgiving dinner together again, and can all save hundreds of dollars in travel and other expenses.

Reason #4: Failing to provide authorization for your personal representative to access an on-line bank account in a will, trust or power of attorney, means that lengthy "terms of service" agreement you accepted, without reading, controls the account and may make it impossible or costly for a spouse to access after your death.

Reason #3: If you are not survived by a spouse but have children who are minors, you may be leaving their destiny to fate. But hey—for now, you believe in karma. If your kids are a handful, you are satisfied that after you die, they will be forced to live in a horrible orphanage supervised by Cruella de Vil. If your kids are saints, your steady optimism assures you that they will be adopted by a benevolent billionaire and live happily ever after.

Reason #2: You have really worked hard, or been very lucky, and have amassed an estate that is subject to estate tax, so you make sure that Uncle Sam gets the maximum amount possible to spend on really important stuff, instead of your family. (If your State has its own estate tax like Illinois, total taxes may claim nearly 50% of your assets!)

And Finally Reason #1: If you are not an optimist but a morbid pessimist instead, there is no point in thinking about your legacy, planning for your loved ones after you die, considering the stewardship and administration of your assets after you die, or giving assets posthumously to charities or other meaningful organizations. Your posterity and the rest of humanity are doomed. You might as well try to spend every dollar you earn before you die and certainly not waste any time or money on estate planning, wills, trusts and attorney fees.

Remember, if you don't make your own will, the State you live in has one for you. You might not like it, and it will be quite an experience for those who survive you, but one exists. Cheers!

However, if these are not outcomes you favor, we encourage you to contact one of the Hinshaw estate planning attorneys listed on the right of this alert in order to update your estate planning goals.