

How Much Do You Know About Your Parent's Estate?



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One study found that more than 60% of adult Americans have never discussed their estate plans with their heirs – my experience shows this number may actually be higher. Parents may hesitate to discuss death or incapacity for a variety of reasons. Children or grandchildren may be reluctant to broach the subject for fear of appearing greedy.

This is, however, something you need to discuss...perhaps starting by discussing your own estate plan. Tell your parents about your wishes for your own children and property should something happen to you, as well as the location of your legal documents. Often, parents will consider sharing the same information with you.

Intergenerational planning, with a financial advisor helping to guide the conversation, can be a very effective tool that helps to lower stress before and after events occur. It can help to ensure the wishes of all parties are known

and understood. It may also help identify things that need to be considered to make things easier on all involved. An advisor may be able to recommend ways to save money, taxes, and time in these situations.

Questions to ask of yourself/your parents:

✓ ***Do you have a valid will, a trust, and a power of attorney (POA) in place?*** If not, encourage them to have these documents created right away. A valid will can help prevent the unnecessary cost and delays that may result if court probate is required. Trusts can be an especially powerful way to help guide, and perhaps even control, the distribution of assets after someone's death. This may be especially important in situations where someone inheriting money may be underage, immature, or otherwise unprepared to be given access to a large sum of money all at one time. Under a trust, money can be paid out over time or upon accomplishment of certain goals and requirements. And a POA can be especially important in situations where sudden incapacity results in an inability to manage one's financial situation or make decisions for themselves.

✓ ***Do you have an inventory of insurance policies, financial and retirement accounts, mortgages, safe-deposit boxes, Social Security benefits,***

etc.? If not, ask them to prepare one, and if they don't wish to share it at this time, ask them to tell you where it can be found in the event something does occur.

✓ ***Do you have a list showing the names and contact information for financial advisors, attorneys, insurance agents, accountants and others who help manage your financial affairs?***

✓ ***Have you established clear beneficiaries, and contingent beneficiaries for your life insurance policies and investment and retirement accounts?*** Depending on how they are designated, it may also be important that updates have been made along the way to account for any changes such as a former beneficiary who has passed, or a beneficiary who may have been added, such as additional grandchildren.

✓ ***Do you have long term care insurance to provide the ongoing care most medical insurance policies and Medicare do not provide?*** If not, what is your plan for care you may need should you become unable to live on your own? Lack of coverage may leave you supporting and caring for your ailing parents without assistance; or it may leave them needing to sell off and utilize all of their assets to qualify for Medicaid assistance.

✓ ***Do you have letters of instruction addressing personal issues not covered by legal***

documents, such as instructions for burial and memorial, disposition of personal belongings, location and access information for safe deposit boxes or safes, as well as computer and various account passwords/access? Tell your loved ones you would like to make sure their wishes are carried out, and these instructions, or at least knowing where to find them once they pass, will help you do so.

✓ ***Do you have an advance directive for healthcare providing instructions for medical care decisions in the event of a healthcare situation where you are unable to make decisions for yourself?*** Again, the goal is to ensure wishes are carried out and to remove the burden of such decisions from family members who will already be stressed by these difficult situations. This can also help avoid the added expense of legal help and court delays after someone becomes incapacitated when dealing with these issues becomes much more complicated.

✓ ***Have your parents provided adequately for each other in the event of the death of one of them?*** Failure to do so may leave you in a position where you need to change your lifestyle to support a parent.

Many want to leave a legacy to their heirs, but may be surprised to find there may be benefits to giving some of those assets while they are living. Others

may want to leave money to a charity, and there may be ways to gain tax and other benefits by starting this now via various investment tools such as Donor Advised Funds or Qualified Charitable Distributions. There are many ways to plan for these types of giving during your lifetime, and after your death so you can also experience the joy of being able to see the benefits of those gifts.

You may want to arrange an "intergenerational planning" session either on your own, or with a financial advisor who can help guide the process. To schedule a no-cost, no-obligation meeting with you and/or your parents/adult children, please call our office at 770.931.1414 or visit our website at www.rogersgreen.com. An estate planning attorney would be another effective resource for guidance.

Inquiring and planning now may make a difficult situation far less stressful in the future on all who are impacted. **Please visit our website Helpful Web Links page at www.rogersgreen.com for various tools to get you started.**

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