

Estate Planning for Younger Families

Estate planning isn't only for your mom or the wealthy. It is for all ages and all walks of life. We put off estate planning for a number of reasons but the real issue is that we have to discuss death, disability, family relationships and the care of our children.

If you have children, you want to define who will care for them and who will manage your assets on their behalf. Without a will and the unlikely event of the loss of both parents, the courts will appoint a guardian for your children. In Arizona, if your children are over the age of fourteen, they do have a voice.

Imagine this conversation. "Mommy, if something happens to you and Daddy do we have to go and live with your sister? Daddy says she is an unemployed devil-worshipping Elvira look-alike. Is that true?"

"No Sweetie, Aunt Elvira has a job."

Even if your siblings aren't evil, why not define who you want to care for your children?

What about defining who will care for you when you cannot? A healthcare proxy allows you to choose who will make decisions when you cannot and can limit their actions according to your wishes. You may prefer that your spouse, domestic partner or parents make these critical decisions. Without a healthcare proxy, your spouse or partner could end up arguing with the in-laws or Congress over your care. If you have a domestic partner and do not have a healthcare proxy, your partner can be excluded from the process.

Who would handle your finances if you are unavailable or disabled? If you are married and have joint accounts, your spouse can write the checks. Who writes the checks if you maintain separate accounts? A financial power of attorney can define who can take care of your finances, limit what they can and cannot do and under what conditions.

If you own anything, you have an estate. All of your assets where ownership is not transferred directly to your beneficiaries will be transferred according to your will or state legislation. Think about a Thanksgiving family gathering and then let our legislature distribute your assets around the dinner table. If you do not have a will, it is assumed that you want your assets distributed according to state law.

You should organize and list your assets, determine how you want them distributed or managed and see an attorney. If you recently married, did you change the beneficiaries on your retirement accounts, life insurance policies and other accounts? If you remarried did you change the beneficiaries?

Our family structures have changed but our laws have not kept pace. In most states, the existing legislation addresses the traditional family of mom, dad and children from a single marriage. Without a will, it is possible that in a second marriage with children

from a first marriage, a surviving spouse would not inherit your half of the community property. If you have a domestic partner and no estate planning documents you should plan on them being excluded and perhaps having to prove the ownership of their assets.

You don't have to be your mom's age or wealthy to need the basic estate planning documents. You do have to take action, talk about money, where it will go and admit you may not live forever. I never liked planning for my estate or the thought of leaving others behind. You need to talk about it, plan for it and take the steps necessary to protect the people you love. You, your children and Aunt Elvira will be glad you did.