

Estate Planning Checklist

ESTATE PLANNING – WHO NEEDS IT?

Following is an Estate Planning Checklist to help determine whether estate planning may be needed. Please answer each of the following questions YES or NO.

- _____ 1. Has it been more than one year since you reviewed your estate plan, including your will, life insurance policies and any other documents?
- _____ 2. If you or your spouse passed away today, are you uncertain about what would happen to your property?
- _____ 3. If you became incapacitated, would your family have to go through court proceedings to carry on your affairs?
- _____ 4. Does your will leave property to someone other than your spouse?
- _____ 5. Do you have minor children or other people who are dependent on you? If you were not here to provide for them, would they be in financial trouble?
- _____ 6. If a death occurred and court approval was required to release accounts for working capital, could it disrupt your farm, business or family life?
- _____ 7. Do you have children by a previous marriage?
- _____ 8. Could your farm or business cause liability due to contract or an accident?
- _____ 9. Do you own assets in your sole name?
- _____ 10. Is anyone other than your present spouse listed as beneficiary on any life insurance policy or account?
- _____ 11. Would you like to avoid probate of your estate?
- _____ 12. Do you plan to gift any property prior to death?
- _____ 13. If your current plan of distribution was followed, would assets have to be sold to pay expenses?
- _____ 14. Do you own property which has substantially increased in value since you originally acquired it?

_____15. Would potential nursing home expenses create a hardship for your family?

If you answered any of the above questions *YES*, you may be in need of estate planning. *YES* answers indicate potential issues in the areas of tax, cost and delay of probate, or simply lack of a plan which carries out your wishes. Planning can solve these problems!

Wills, trusts, and other estate planning documents can be very important in preserving our property and in getting property where we want it to go. Without a will or trust, upon a person's death, that person's assets are disposed of according to state law. State law, called the law of intestacy, may or may not match what the deceased person's desires were as to whom should get the property or how the property should be handled.

Without a will or trust, a person has no opportunity to personally select guardians for minor children, to name the person who should manage the children's assets until they are distributed to the children at a particular age, or to select the person who should handle the details of distributing the estate. Without estate planning, these important decisions are left to be made by a judge who can only apply statutes and attempt to determine what would be reasonable under the circumstances. Most people would prefer to set their own guidelines for distribution and management of assets. If no special provisions are made, children receive their share of the estate immediately upon reaching the age of majority. Through trust provisions, parents can give directions and restrictions on how and when assets should be distributed.

Thinking about death, accident or illness is never pleasant. However, if something does happen, that is not the time for family members to be forced into making important decisions, or to be burdened with excessive administrative details. Planning ahead is much more efficient, inexpensive and thoughtful than burdening a family during a period of grief. We all work too hard to accumulate property to allow it to be wasted on unnecessary bureaucracy or to allow it to go to someone other than the people or cause of our choice.