



**Take Charge of Your Future:
The Top 8 Reasons to Start
Your Estate Planning Today
(And Where to Start)**

Have you done your will yet? If the answer is no, you are in the majority.

According to the AARP, only four out of every 10 Americans have a will or living trust. These farsighted individuals also tend to be older: a survey by Caring.com found that 81% of respondents aged 72 or older and 58% of baby boomers have a well-rounded estate plan.

Younger people, even if they are high earners, tend to overlook the importance of planning for the future: when the musician Prince died in April 2016, he did not have a will, which created a massive problem for his \$250 million estate.

Why aren't more younger people creating estate plans? There appears to be two main reasons. One is the assumption that estate planning is only for the rich. The other is the natural aversion to dwelling on matters related to death. The truth is that an estate plan provides protection and tax benefits to estates of all sizes (not just those that rival Prince's), and you can create a plan that manages your personal and financial affairs in accordance with your wishes while you are alive.

Here are 8 reasons why you should start your estate plan today, along with the tools you can use to protect your future.

1. You control the distribution of your estate

If you pass away without a will in California, the laws of intestate succession apply. These rules prioritize certain heirs, such as your spouse and children, over others, and can cause your estate to be distributed in ways that you never intended. For example, if you pass away suddenly before a divorce is finalized, your still-legal spouse would inherit all marital property and up to one-half of your own assets, leaving your children with less of an inheritance.

2. The costs and delays of probate may be avoided

Certain estate planning tools allow assets to pass to your chosen beneficiaries without incurring the time and expense associated with probate. They include:

- A living trust (sometimes known as a “revocable trust”) that holds your property for your benefit during your lifetime and transfers it to a chosen representative, or “successor trustee,” when you pass away.
- A revocable transfer on death deed that allows you to transfer real estate to another person or entity and avoid probate.
- Converting your bank account into a payable-on-death account that appoints a beneficiary to receive the funds after you pass.

A qualified estate planning attorney can advise you on other ways to minimize probate costs.

3. Less of your estate goes to taxes

Without an estate plan, and depending on the size of your estate, a substantial portion of your estate can be consumed by federal estate taxes. You can transfer money or property to designated beneficiaries as gifts instead of inheritances, which reduces both the size of your estate and the amount of tax payable upon your death. In California, married couples can gift an unlimited amount of money to their spouse. These gifts can also be placed in a trust for safekeeping.

4. You can designate a guardian for minor children

If you and your spouse pass away in a single catastrophic event without naming a guardian for your minor children, the court may appoint a legal guardian that you would never have approved while alive. You can make such a designation in your will, giving you and your family peace of mind.

5. You can care for special needs family members

If you want to take care of a family member with special needs, placing your bequest to them into a special needs trust can allow them to benefit from the money or property without harming their eligibility for government benefits.

6. You can protect your assets and arrange your care in the event of incapacity

If you become incapacitated due to illness, injury, or age-related conditions such as Alzheimer's or dementia, you may need assistance with tasks like handling financial matters and making important decisions such as medical care and selling real estate or a business. Setting up a durable power of attorney will enable someone you trust to access and control your financial holdings. On the other hand, creating an advance healthcare directive will ensure that your medical care is in accordance with your wishes.

7. Your representative can be empowered to make informed medical decisions for you

When you provide a Health Insurance Portability and Accountability Act, or HIPAA, release to your personal representative, your health care team can discuss your condition with them. Federal privacy laws imposed on medical professionals can result in information being withheld from your healthcare agent, making it hard for them to make the right decisions for your care. Designating them as your HIPAA representative cuts through this red tape.

8. A business succession plan can be formalized

If you own a business, an estate plan allows you to arrange a transfer of ownership. For example, if you own a restaurant in San Francisco and your daughter works with you in the business but your son does not, you can create a transfer arrangement to your daughter and compensate your son with other assets of similar value.

Now that you know why estate planning is important, where do you begin?

At the very least, you should have a simple will that you update as you marry, have children, divorce, or experience other life changes. Larger estates that include significant real estate holdings, intellectual property, and high-balance bank accounts may require additional tools, such as trusts. No matter what you own or who you want to provide for after death, contacting an attorney about an estate plan now will save you and your loved ones a lot of time and expense in the future.

With over 35 years of experience in the field, the estate planning attorneys at Solan, Park & Robello can provide you with the sound and qualified advice you need to create an estate plan that evolves along with your life circumstances. We make your options easy to understand, so you know you've made the right estate planning decisions for your loved ones. To learn more, please contact us today or call 415-777-3300 for a free 15-minute consultation.