

Why Do You Need an Estate Plan?

By Emily A. Daunhauer

No one wants to think about death, especially in the wake of an international pandemic, but given the limited options for entertainment, now might be a good time to create an estate plan. An estate plan can prepare you and your family for unknowns to come, save you time and money, and benefit you before and after your death. Unlike stockpiling toilet paper, an estate plan will benefit your loved ones long after the restaurants re-open.

The most fundamental reason to have an estate plan is because it lets you decide where your hard earned money goes upon your death. Without a plan, your state of residence makes certain assumptions about what you would have wanted, had you written a will. Drafting a plan also provides an opportunity to think through larger issues – issues the state’s “default plan” doesn’t cover. Some issues we often address with our clients include:

- How can my family survive without two incomes?
- How can I provide for a child with special needs or dependency issues?
- Can I protect my child’s inheritance from a future divorce?
- How can I avoid taxes and ensure my money stays with my family?
- How can I transition my family business to the next generation?

Working with an estate planning attorney to answer these questions will let you rest easy, knowing your family is prepared for the future. A comprehensive plan can also protect your privacy and may decrease certain costs of the probate court process or prevent you from having to open probate matters in multiple states.

In addition, a plan can give your family direction when it comes to making decisions for your benefit when you’re not able to do so. If a sickness or accident leaves you incapacitated, your family will be bombarded with decisions. Tough medical situations can tear families apart as they try to decide what you would have wanted. An advance directive which establishes clear guidelines and names a decision-maker can provide peace of mind to your loved ones. Outside of the medical issues, ongoing bills and financial matters will continue to arise. A well-drafted power of attorney will allow your family to tackle these problems without having to go through the burdensome court process needed to declare you incompetent and appoint a guardian.

The above is only a glimpse of the benefits an estate plan can provide you and your family. With extra time on your hands and nowhere to go, this just may be your opportunity to capitalize on those benefits and create your own comprehensive plan. By speaking with an estate planning attorney, you can resolve unanswered questions and provide clarity and peace of mind to you and your family. Right now, we can all use a little more peace of mind.