

## A CHECKLIST FOR PLANNING

In today's fast-paced world, it is more important than ever for you to have a valid estate plan – including a will – in place and up to date. Growth in asset values, longer life expectancies, and other factors make leaving the future to chance far too great a risk.

Although trusts and other planning tools continue to gain in popularity and may achieve some of the same long-term objectives, a will – either by itself or working in concert with other planning tools – is normally the foundation of a sound and effective long-range financial plan.

### 1. IF YOU ARE SINGLE

A single person needs to plan carefully because without a will or trust, all or a portion of his or her property automatically goes to his or her “closest relatives” as defined by state law. A will can instead specify the relatives intended to receive property, and it allows for naming non-family beneficiaries as well.

### 2. IF YOU ARE MARRIED

Whether property is owned outright or jointly with a spouse, probate expenses and federal estate and state inheritance taxes may be incurred, regardless of which spouse lives longer. A properly drafted will or trust may help eliminate some of these costs. For example, proper planning can make it possible to pass all property to a surviving spouse free of tax.

### 3. IF YOU HAVE MINOR CHILDREN

A will can help assure that a husband has access to the deceased spouse's surviving spouse's portion of the family property to use for the support of their children if necessary. In the absence of a will, state law may place such property in “trust”

for the children, possibly requiring the surviving spouse to seek a court's permission to spend funds for their benefit.

In the event of an accident that claims the lives of both parents, a will can suggest a guardian to care for surviving minor children. The alternative? The courts may appoint someone the parents would not have chosen.

### 4. IF YOU HAVE ADULT CHILDREN

Some parents choose to leave an equal amount of property to each child. Others recognize differing needs with bequests of different amounts. A will also makes it possible to provide for professional management of funds. For example, children could receive income from property until reaching a certain age. Only then would the property itself pass to them.

### 5. IF YOU OWN PROPERTY JOINTLY

In some situations, joint ownership of property can help reduce estate settlement costs, but it may also have drawbacks, such as creating unnecessary tax liability at the death of the surviving spouse. Joint ownership should be regarded as a part of, not a substitute for, more comprehensive estate planning.

### 6. IF YOUR MARITAL STATUS CHANGES

Whether you are married, widowed, or divorced, a review of financial plans can be called for. In the case of “blended” families, good estate planning can be wise to help assure that each spouse's assets are distributed in the amounts they decide.

### 7. IF YOU WANT TO HELP OTHER FAMILY MEMBERS

You may wish to provide financial assistance for someone who would not receive an inheritance under state law, which would apply in the absence of a will.

For example, it may be desirable to make plans through a will to care for a parent, grandparent, brother, sister, another relative, or friend.

### 8. IF YOU WANT TO AVOID UNNECESSARY EXPENSES

A properly drafted will or trust can often help reduce estate taxes, fees, and other costs. Even for a modest estate, these savings can amount to many times a typical attorney's fee.

### 9. IF YOU WANT TO NAME YOUR OWN PERSONAL REPRESENTATIVE<sup>1</sup>

Why rely on a judge to appoint someone to oversee the settlement of an estate? A will can suggest a person who is familiar with your goals and what you wish to accomplish.

A personal representative may be an individual, the trust department of a bank, or another professional administrator. It is also wise to name an alternative in case the first choice is unable to serve.

### 10. IF YOU HAVE HARD-TO-VALUE PROPERTY

Valuable collections, art objects, and heirlooms may pose problems in settling an estate. Without the guidance of a will or other legal document, a state court may require that all

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1. In some states, the person named in a will to settle a decedent's affairs is known as the “executor” (if male) or “executrix” (if female).

property be sold, possibly resulting in heirs receiving less than the property is worth.

This problem can usually be avoided when a will or trust clearly states which gifts are intended for each heir.

#### **11. IF YOU WANT TO REMEMBER A FRIEND**

Only the closest relatives are eligible to inherit property when relying on state law to distribute assets. A valid will or other arrangement makes it possible to remember friends and loved ones in a special way.

#### **12. IF YOU HAVE CHARITABLE WISHES**

Including charitable gifts in a will can served as an enduring testimonial to personal values and concerns.

Of course, obligations to family members and others must come first. But it is possible to name one or more charitable entities to receive whatever remains after heirs have been provided for.

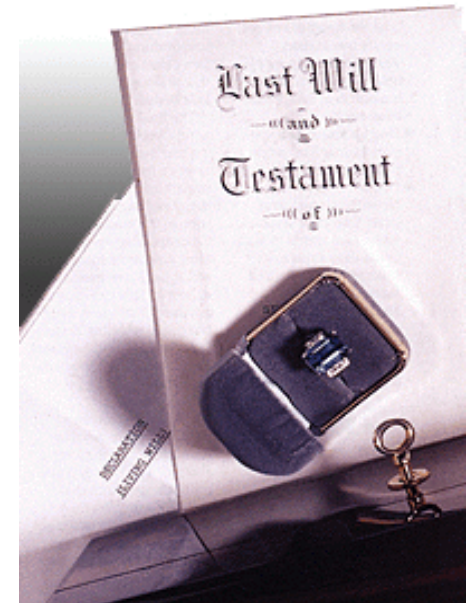
Making plans and updating them as needed can bring great satisfaction and peace of mind. We will be please to be of assistance as you and your advisors consider the charitable dimension of your long-range financial plans.

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# When Should You Have a Will?



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