

# Why You Should Have a Will

# Purpose of a Will

- Why is a will important?
- Understanding the terms-
  - Beneficiary
  - Probate
  - Executor
  - Guardianship
- Options

# Why is a Will Important?

- What happens to your assets when you die?
- If you do not have a will (intestate) who will decide how your assets are distributed?
- Who will know what your wishes are?
- What is probate?
- Navigating Possible Tax Issues
  - Inheritance
  - Estate

# Beneficiary

- An “heir” is the person or legal entity that receives assets as part of an estate settlement.
- A “beneficiary” is the person or legal entity that receives assets outside of the estate.
- A “beneficiary form” instructs the financial institution who will receive your assets or benefits in the case of your death.
- Assets controlled by beneficiary forms may include: insurance, 401k/IRA’s, annuities.
- Update all of your forms to indicate:
  - Change in marital status
  - Birth of Children
  - Death of Beneficiaries

# Probate

- “Probate” is the legal process of transferring property (real and personal) from the name of the decedent to the beneficiaries.
- Court Supervised
- Estate Executor Must Settle All Debts & Claims Before Distributing Property
- Probate required if decedent passes Testate (with will) or Intestate (w/o will)

# Executor

- “Executor” is the party recognized by the Probate Court to manage the settlement of the estate.
- Must collect & inventory decedents properties or assets, according to fair market values.
- Resolve any issues with creditors & pay administrative expenses.
- Ensure Tax Returns are prepared and filed.

# Guardianship

- Families with minor children will appoint caretakers for those children in the event the parents die prematurely.
- In the absence of these instructions, the Court will appoint a guardian. It is always recommended that the decedent choose the guardian.

# Pros & Cons of Various Options

Pros	Cons
<ul style="list-style-type: none"><li>• Basic Will<ul style="list-style-type: none"><li>- Simple Low Cost</li></ul></li><li>• More Complex Will<ul style="list-style-type: none"><li>- Provides more detailed instructions and creates less family tension</li></ul></li><li>• Trusts<ul style="list-style-type: none"><li>- Can be customized</li><li>- In some cases, provide protection from collection</li></ul></li></ul>	<ul style="list-style-type: none"><li>• Basic Will<ul style="list-style-type: none"><li>- May not be sufficient if you have children or special needs beneficiaries</li></ul></li><li>• More Complex Will<ul style="list-style-type: none"><li>- Can be more expensive</li></ul></li><li>• Trusts<ul style="list-style-type: none"><li>- May be expensive</li><li>- Can limit your options in the future</li></ul></li></ul>