

PLANNING FOR YOUR FUTURE

How ready are your children to handle your estate?

By Bernard A. Krooks, Certified Elder Law Attorney

Many parents spend a lot of time, energy, and money preparing estate plans intended to provide security for their children and grandchildren. While it's common for parents to conduct numerous discussions with advisors in order to create a plan that will transfer their estate as smoothly as possible, they often neglect to hold similar conversations with their children.

When planning to pass your estate on to your heirs, it is important to consider how they might handle the new responsibility of receiving an inheritance. Parents may believe that the inherited estate will be used responsibly to help their children and grandchildren pay for furthering their education; to make it possible for one parent to stay home with young children; to ensure a secure retirement, or to be put to other responsible, sensible uses. The assumption that children share the financial values of their parents, however, may not be valid. Many teenagers or young adults might prefer a sports car to a 401(k).

To communicate their values, many people write an ethical will, which basically states in a narrative form what is important to them and how their values were developed growing up and during their lifetimes. By sharing your values with your loved ones, it is hoped that they will continue on with the next generation(s). Many clients have shared with us that the ethical wills of deceased relatives are one of the most cherished and meaningful gifts they have ever received from a loved one. In fact, several clients have saved the writings of loved ones for decades and they serve as an inspiration during challenging life situations. There is no right or wrong approach to ethical wills; the words simply have to come from the heart. Along with personal values and beliefs, we have seen clients share spiritual beliefs, hopes for future generations, life's lessons, forgiving others, or asking for forgiveness, among many other themes. After all, the money you leave will ultimately be spent; the values you impart may last forever.

While death and money are often uncomfortable subjects for discussion between parents and children, it is important to bring these topics up while you are alive. Avoiding these

conversations can jeopardize even carefully crafted estate plans. To help ensure that your children are prepared, you may want to include them, if they are old enough, in the process of planning. The more they know about what to expect, the more prepared they will be. Not only that, the more they know while you are alive, the less likelihood there will be problems when you are gone. You will also want to let your children know where you keep important documents such as safe deposit box keys, birth certificates, passports, deeds, insurance policies, investment and bank statements, tax returns, Social Security numbers, and medical insurance cards and information.

Let's face it: it is not easy for us to discuss money or legal matters with our family. Many times, there are other issues involved such as relationships and control, which make it even more complicated. But I ask you to ask yourselves the following question: would things be better or worse if something happened to me and I neglected to tell my loved ones what was important to me? Remember, life passes by quickly. In many cases, our lives are turned upside down in a matter of moments. Take the time to discuss these issues. You'll be glad you did.

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