

## Why Should You Care About An Estate Plan?

It has been said that at their annual banquet, the early English solicitors would offer their first toast to the people who drafted their own Wills. The message, of course, was that those people contributed much more to the pocketbooks of the lawyers than those who carefully planned their estates through knowledgeable professionals.

The solicitors' message was a good one, and it stands equally true to this day.

Instead of offering toasts to people who plan poorly or not at all, however, we at Bove & Langa are more inclined to offer toasts to those who take the time to implement a properly designed estate plan, as opposed to benefiting from someone's mistake in failing to plan.

Having a good estate plan is not just for wealthy individuals or families, and don't think that a Will is an estate plan. Estate planning encompasses many lifetime considerations. For instance, a family with a disabled child or elderly parent will benefit from properly drafted trusts to care for them during their lifetimes. And if any member of the family should become incapacitated, a durable power of attorney will allow the family to avoid the public and expensive probate process otherwise necessary during the period of incapacity. Speaking of probate, in many states (especially Massachusetts), it is advisable to plan your estate to avoid this process, which can readily be done through a trust. Wills and property that passes under the Will must be administered through the probate system, which many view as the most expensive way to pass property at death. A good estate plan will also address objectives for succession of the family business or the realization of a charitable goal.

Then there are the tax considerations. A well-designed estate plan will address all relevant tax issues and plan for the least possible amount of "transfer" tax (i.e., gift, estate, and generation-skipping tax), given the family circumstances and objective.

Accordingly, today's estate plan typically consists of one or more trusts, durable powers of attorney, health care proxies, HIPAA authorizations, special beneficiary designations, and of course, a Will, just in case.

In our many years of practice in this field, we have found that almost all clients have the same objectives: they want to keep control of their assets for their own and their family's benefit; they want to keep matters as private as possible and stay out of the probate court system; on death they want their family members to enjoy the family assets with as little time, fees, and exposure possible and perhaps with protection against bad judgment or unexpected catastrophe; and of course, they want to pay the least amount of taxes.

In short, they want a good estate plan.

Copyright © 2006 by Alexander A. Bove, Jr. and Melissa Langa. All rights reserved.