

Do I Really Need a Will? By

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About the Author

Chasity S. Grice represents individuals and businesses located in Dallas, Texas and Memphis, Tennessee. She began her practice developing estate plans for middle to high net worth clients at a Certified Public Accounting firm located in Dallas, Texas. In her position at the Certified Public Accounting firm, she focused primarily on tax planning and compliance for estates, trusts, and gifts. This included developing estate plans, preparing estate and gift tax returns, and preparing fiduciary tax returns. Mrs. Grice was also responsible for developing sophisticated estate and reorganization plans for clients whose needs included transferring assets among generations. Mrs. Grice assisted these clients in minimizing the tax consequences of these transfers, both before and after death. She now focuses on estate planning and probate in the Dallas, Collin, Tarrant counties of Texas and Shelby County of Tennessee. Visit www.memphisprobatelaw.com for additional information.

I can recall the death of my maternal grandmother at the age of 16. My grandmother made a living by creating these beautiful and unique ceramic molds and selling them at the local flea market. I also remember the day that she was diagnosed with lung cancer. Four months later, she had died. After my grandmother's death, I learned the true meaning of grief and the importance of estate planning. Though I was young and had no idea what a probate and estate planning attorney was or did, I knew that what happened with my family was confusing and, somehow, could have been prevented. Two years later, my grandfather passed away, leaving the house that contained all of my grandmother's most treasured valuables, with no direction as to where these items would go. The house would later be sold by the city to satisfy a tax debt and my grandparents' valuables

were scattered among relatives. Needless to say, most family members, grief-stricken or not, was what I would call "amicable" when distributing these items.

The moral of the story is this: Planning is essential to every family, no matter what assets it may have. I can recall dozens of stories about families who believed that estate planning was not necessary and years or sometimes months later, they were seeking advice.

Imagine a single mother with two minor children. She rents an apartment, owns one car, and has a bank account with approximately \$1,000 in it. Typically, someone in this situation believes that estate planning is unnecessary. As I have heard many times, "I don't own anything." An estate is not always defined by a numerical value. In fact, an estate consists of many of the personal belongings that we may not even consider valuable until after a close relative's death. For instance, your grandmother's wedding ring, your father's autographed football or baseball, clothing and other personal belongings are all a part of your estate. You may view these things as invaluable or insignificant but I would bet that your children, nieces and nephews would disagree.

Steps to take NOW to minimize the burden on your family LATER:

1. **Healthcare and Durable Powers of Attorney.** A Power of Attorney is one of the most effective and inexpensive methods of protecting yourself and your family from unexpected situations. A power of attorney can provide an individual the ability to assist you should you become incapacitated and can give these individuals access to your

finances without the expensive and time-consuming process of establishing a conservatorship.

2. **Payable on death or Right to Survivorship Bank Accounts.**

Most financial institutions provide a payable on death designation for your bank account. Quite simply, this designation would allow an individual access to your bank account at your death. Whether we are talking about \$100 or \$1 million, this could assist your family in your funeral and burial planning. I have spent countless hours assisting families in gaining access to bank accounts. This ends up costing families hundreds of dollars when it costs very little to provide this designation now.

3. **Beneficiary Designation Forms.**

If you have a job, chances are that you have seen one of these forms at one point or another. If you think back to that first week on your job, this was page 12 out of the 37 pages that your new employer wanted you to sign. By the time you made it to this page, you were just signing on the dotted line and completely overlooked it. Needless to say, your employer's focus is not on your estate planning, so they don't emphasize the importance.

You will see this form with regards to life insurance policies, 401(k) plans, pension plans, and other retirement plans. In the event of your death, these companies would

disburse these funds to your designated beneficiary, either by rollover plans or direct distributions. If this form is not completed and returned to the company, the default beneficiary would be your estate. This means that your family would have to open an estate in Probate Court in the County, which could cost several hundreds or thousands of dollars, depending on the value of your assets. Remember that filling out these forms is free of charge and takes a matter of minutes.

4. **Simple Will.**

In the event that none of the above is completed, a simple will can be drafted to leave your estate to one or more individuals at your death. A simple will, for purposes of this article, is one that disposes of an estate without tax consequences and does not involve trusts. A trust is a legal entity that owns asset for a period of time, with specific direction as to how it distributes the property to its beneficiaries. If you have minor children, you may want to consult an attorney to discuss the necessity of a trust.

5. **Think.**

Don't let the sensitivity of the subject keep you from planning properly for your family. The last thing that you want is to have your family in a legal battle while grieving from your death.