5 Reasons to Create an Estate Plan

An estate plan is something that most people procrastinate on or don't think they need. In reality, everyone needs and should have one. It's the best way to protect your assets and your family. Here are 5 reasons to create an estate plan.

1 – Bypass Probate

When someone passes away, their estate must go through a court process called probate. The court reviews the will (if one exists), designates heirs, grants power to a personal representative (executor), allows debt collectors to file claims, etc. This process can take anywhere from a few months to several years. During that time, your assets are essentially on hold. Certain estate planning instruments, such as trusts, can bypass the probate process and allow beneficiaries to receive assets sooner. Thus, it's one of the most important reasons to create an estate plan.

2 – Retain Privacy

Since probate takes place in the courts, the details of your estate (including assets, debts, and beneficiaries) become part of public record. By having an estate plan designed to avoid probate, you and your family can retain privacy. Beyond the obvious desire to protect your information, this is also important for safety reasons. Keeping details on who gets what from your estate reduces the chances that your heirs will be targeted by those who wish to take advantage of their inheritance.

3 – Select Beneficiaries & Avoid Unwanted Heirs

Another of the most important reasons to create an estate plan is to select beneficiaries. Otherwise, again, the courts will decide. In Massachusetts, there's something called Intestate Succession.

Determination of legal heirs is based on whether you are married, have children (from the current or previous marriage), and/or have living parents. In many cases, Intestate Succession rules may result in unwanted heirs. It’s always better to specifically designate your heirs. An estate plan will help you do that.

4 – Control Distribution of Assets

Lump sum inheritances can be risky, especially for beneficiaries who are still young adults. In fact, even older adults are likely to make poor financial decisions with an inheritance. Lottery winnings are the perfect example of what can happen. Many lottery winners end up in bankruptcy a short time after. One way to ensure this scenario doesn’t occur with your beneficiaries is to create a trust with instructions to distribute funds over a period of time until they reach a certain age, at which point they receive the remaining inheritance outright.

5 – Save Money

Last, but certainly not least, an estate plan will save you money. Yes, there is a fee to create the estate plan and to keep it updated as changes occur in your life. However, this is significantly less than what it will cost your heirs to hire an attorney to manage the probate process if you don’t have a proper estate plan in place. Additionally, a proper estate plan can also maximize the value of your estate by minimizing taxes. Ultimately, these efforts will preserve your assets and provide more financial benefit to your beneficiaries.

More Reasons to Create an Estate Plan

These are just 5 of the many reasons to create an estate plan. If you own a business, have a blended family, or have other unique circumstances in your life, those are equally important reasons to have a plan in place. Despite common belief, estate planning is not just for the rich. No matter what your income bracket, if you have children or other family members that rely on your support, an estate plan is essential to their future and well-being. You/they can’t afford *not* to have a plan!

[Contact our team] to schedule a free estate planning consultation. There's no obligation. We'll review your personal circumstances and make recommendations on how to best protect your assets for the benefit of your heirs. By understanding your options and the benefits an estate plan offers, you can make an informed decision on how to best proceed.

What Happens When You Have No Will in MA

An overview of what happens when you have no will in MA, how heirs are determined and what percentages they receive. Sample scenarios based on marital status, children, and parents.

Details On Durable Power Of Attorney In Burlington MA

Details on durable power of attorney in Burlington MA written by Peter Damore at Law Offices of Peter T. Damore Jr.

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Overview Of Estate Planning For Burlington MA

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