

---

# Top Ten Nontax Reasons to do Estate Planning

By Geoffrey N. Taylor

Among the many tax issues our lawmaking friends in Washington, D.C. are debating is the fate of the federal estate tax. Some would like the exemption to double from \$5 million to \$10 million (indexed for inflation). Some propose repealing the federal estate tax in 2024. Related items such as the federal gift and generation-skipping transfer tax and the “step up” in income tax basis on the death of an individual are also being considered.

Whatever its future, the reality is the federal estate tax affects very few families. One might ask “why, then, do I need to hire an attorney to help me plan my estate? Only rich folk need it.” The reality is also that there are many important nontax reasons for estate planning. Here is a David Letterman-esque top ten list:

- 10.** To address myriad issues upon death in second marriages and blended families.
- 9.** To help avoid disputes over the division of family heirlooms/tangible personal property.
- 8.** To finance an education for children and grandchildren and account for their differing needs by distributing assets as if you were still here and would do so yourself.
- 7.** To appoint a guardian for minor children.
- 6.** To protect assets, including inheritance, from lawsuits, creditors, or the claims of a spouse upon divorce.
- 5.** To ensure the protection and continued care for disabled children or other family members with special needs trusts/provisions.
- 4.** To designate who will make financial and medical decisions in the event of your disability and to avoid the costs/hassles of a guardianship or conservatorship.

- 
3. To provide beneficiaries with the ability to stretch retirement assets over their lifetimes instead of requiring them to cash it all in at once and pay the income taxes immediately.
  2. To make certain assets actually pass to the person you wish to benefit upon death in the manner you determine. Without a Will, you are said to have died “intestate” and the state’s default plan for who receives your assets will apply. If a beneficiary is at least 18 years of age, the beneficiary receives the beneficiary’s inheritance immediately.
  1. To avoid probate at death and minimize the expense of administering an estate upon death. A Will alone does not avoid probate. Costs and fees for simple, uncontested estates can total thousands of dollars.

Just as every individual is different, every individual’s estate plan involves unique issues. Your attorney should understand your personal and family circumstances and incorporate your wants and needs into a carefully constructed estate plan. If you or someone you know has estate planning needs, call me or another Maddin Hauser attorney.