

## **6 Myths About Estate Planning**

### **1. Estate Planning is only for the wealthy.**

Estate planning is more than just money. A properly drafted estate plan allows you the opportunity to appoint someone to act on your behalf for financial or medical purposes, should you become incapacitated. Without appointing these individuals in the proper documents, your family will have to petition the court to do so in the event you become incapacitated. This can be a very costly and time-consuming process.

### **2. I had my estate planning done years ago, I don't need to worry about it anymore.**

Life is constantly changing. Since you originally had your estate planning prepared, many parts of your life could have changed. The type or amount of assets you own may have changed, or there may have been additions to your family or deaths. In addition, your beneficiary's needs may have changed. Additionally, Congress, state legislatures, and courts are always changing the rules. It is always a good idea to review your existing plan every few years to make sure that your plan is still going to work as you intend.

### **3. I'm young, so I don't need to worry about this right now.**

Death or incapacity can occur at any time. We all like to assume we are going to live until old age, but failing to plan ahead can only hurt you and your family. If you do not put a plan in place, the court will determine what happens to you in the event of incapacity or your assets in the event of your death.

### **4. Since I am married, everything will automatically go to my spouse.**

While your spouse may receive most of your assets, if you have no estate plan, your assets are likely to go through probate and distributed according to your state's intestate succession statute. Many of these statutes will divide your assets between your spouse and other members of your family (mother, father, siblings, etc.). Without having estate planning prepared, there is no guarantee that your spouse will receive 100% of your assets.

### **5. My family knows my wishes and will carry them out.**

While you are alive, everyone will more than likely get along. However, when you pass, your family will be grieving. This grief can bring out the worst in people. Instead of distributing items as previously agreed, family members may change their minds and start arguing, believing that he or she is entitled to more. Without a properly executed estate plan, the distribution of your assets will be determined by the court, regardless of what was previously agreed upon.

### **6. Everything I own has a beneficiary designation that I have completed.**

While having a beneficiary designated on all of your assets can solve the problem of having to go through probate, it offers little in the way of asset protection for your beneficiaries. Depending upon the value of your assets, are you truly okay with things going directly to your beneficiaries? Once the assets are distributed directly to him and her, they can become subject to the beneficiary's creditors, divorcing spouse, or poor money management habits. This means that what you've spent a lifetime building could be quickly dissipated or lost.