

THE BEST GIFT YOU CAN GIVE YOUR CHILDREN: PEACE OF MIND

BY GARY ALTMAN, ESQ.

With the holiday season underway, many of us are considering what to give our children and grandchildren this year (assuming they made the “nice” list, of course). As Boomer-Living’s resident estate planning expert, I’ve got a great idea for you: Gift your children peace of mind this holiday.

I’ve been writing this column for a couple years now and you’ve heard me make my case for proper estate planning time and time again. This time, I thought I would share the perspective of one of my clients – a 32 year old daughter of Boomer parents - who wants nothing more this year than peace of mind knowing that her parents have planned accordingly.

Holiday Blues

For the majority of life, holidays and other special occasions have meant separate “celebrations” with my mother and father who separated before my brother and I started elementary school. As an adult, now married, we do what I call “the holiday circuit” – making the rounds between one family gathering and another – i.e. Thanksgiving appetizers with my dad and his new wife, then dinner with my mom and my father-in-law. I often coordinate separate birthday celebrations for our three children – one that is dad-friendly and one that is mom-friendly. Unfortunately, I know I’m not alone and many of you may have children who do the same.

When my father remarried a few years back, I inherited what I call “insta-family”. You see, my step-mother, who had just recently gotten divorced, has four children of her own – 3 adults (younger than me) and 1 minor. We’re finally starting to get through that initial awkwardness of knowing that at least 3 out of 4 of them hated my father. I can’t blame them for that – their parents had been married for 20 or 30 years before he came along. There was/is bound to be some resentment. And, with that resentment, comes fear, jealousy, paranoia and

a whole host of other treats. Ah, the joys of blended families. . .

All I Want for Christmas Is...Peace of Mind? Yep.

A few events have taken place over the last few years that have served as my wake-up call as to critical importance of estate planning.

First was the passing of my great-uncle, “Bud”. Bud was in his early 80s, had never been married and had no children. He lived modestly, but had done well through saving and investing, leaving a healthy estate behind. This estate could have gone towards caring for his only sibling (my grandmother). It could have gone to a worth-while charity. It could have even helped to pay for college for his grand-niece and nephews. It could have done a lot of things...had he planned properly. Instead, because the most recent version of his will hadn’t been signed prior to his death, New York law determined that the estate would be distributed according to an old will – one which named his ex-fiancée as the sole beneficiary of pretty much everything - his home, his car, his bank account and his investments. Adding insult to injury, a 529 college plan that Bud had specifically set up for my oldest son, would also become the property of this woman, who hadn’t been in Bud’s life for the last 10 to 15 years. Because my son is a minor, and because I hadn’t been assigned as his custodian on the account, the account became the property of the estate.

Lesson #1: Having an estate plan that has been carefully reviewed (right down to naming beneficiaries on financial accounts) and kept up-to-date by an experienced estate planner is the only way to ensure that your estate will be distributed according to your wishes.

The next wake-up call came after my amazing mother-in-

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law died from breast cancer at the young age of 60. She had worked her whole life as an occupational therapist in the public schools to build a nest egg with my father-in-law, yet she never got to live those “Golden Years”. Her illness crept up quickly and, unfortunately, while she did have a will, she hadn’t taken the time to specify wishes on how she might like her estate to be divided, leaving her two sons in the awkward position of having to negotiate with their father for anything they may want – something neither of them are likely to do.

Lesson #2: We never know how long we have. If you have children, talk to them and your spouse about what your wishes are and have them incorporated into your estate plan before its too late.

Around the time that we lost my mother-in-law, my father was diagnosed with prostate cancer. When it rains, it pours, right? It occurred to me then that I had no idea if my dad had done any kind of estate planning. What if this surgery didn’t work? What if he became really ill and medical decisions needed to be made? What would happen if he passed away? Who would handle his estate? Had he planned on leaving anything to his me and my brother or would everything go to his new wife and her four children? How on earth do I even talk to him about this?!?

Lesson #3: Remarriage and blended families complicate an already sensitive and complex matter. Relieve your children of the stress and burden and take care of your estate plan.

It wasn’t easy, but I started making subtle pleas to my dad to take care of his estate planning. My approach was two-fold: #1 My husband and I had already taken care of our estate planning, so there’s no reason why a 60 year old, remarried father and step-father who was just treated for prostate cancer shouldn’t have his done. #2, I reassured him that my ONLY motive, and this is true, was to avoid any conflict later. I let him know that I didn’t care what he ultimately decided, I just wanted it spelled out so that, if and when the unfortunate happens, there will be no questions about his wishes. The last thing I want is to be fighting with my step-mom or her kids or even my own brother about things like life support or who gets what assets, etc.

Hallelujah!

My dad, in true Boomer-era fashion, avoided the issue for as long as possible. If you don’t talk about it, it doesn’t exist, right? Ultimately, it took losing his mom, who passed away at the beginning of this year, to get him to meet with an estate planner (Gary Altman). Perhaps then he realized that it wasn’t going to be as painful as he thought it would be. Maybe he finally realized that it was really important to me, as his daughter, that he get it done. Whatever it was, I can honestly say that it was the best gift he’s ever given me – peace of mind.

I’m still working on my mom...

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