

# Points In Time

Making Estate Planning Generational



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## Making Estate Planning Generational

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### “Estate Planning” What Does That Mean Today?

There are two parts to estate planning:

**1) Putting your affairs in order; Organizing the assets of your life, physical assets, financial assets and digital assets**

**2) Setting a legal precedent by having an estate attorney put your wishes and instruction in a legal form that best protects your wishes**

One problem that exists today is that most people think that doing this doesn't need to happen until late in life. The fact is, everyone should always have their affairs in order as they move through life, but the conversations between parents and children have been mostly lost.

This isn't taught in school, and unless you have had a family Trust come down through the generations and taught to you by your parents, you probably are not aware of the points in time when we need to be having these conversations with family members.

In this publication, we will go through these points in time to illustrate the what, when and how these conversations are so critical. No matter your age, race, religion or financial status, estate planning will affect you and your family at some point in time. Either through savvy planning, or through the nightmare of not planning, you or your family will be affected.

Putting your affairs in order in today's fast paced, make it easy, I need more time world is not as easy as in the days of our grandparents. But what does the term really mean? If you asked 100 people, you would most likely get 100 varying lists of details.

What many people fail to understand are the legalities related to this subject and the need for timely family conversations and legal actions throughout life to ensure that if something happens to you, your family will not be burdened trying to figure out where things and information are located. It also ensures that your family has clear, concise and legal instructions on what is to happen to your finances, physical assets and digital assets. Without an estate plan in place, your family has no legal right to do anything until someone rises to the top as the heir apparent through long and expensive court proceedings.

Some of the myths we hear are;

This is something you do when you get old  
I don't have much money, so what's the point  
I can't afford a lawyer

My affairs are nobody's business  
I don't want to talk about death  
I don't want to burden my family with this

The facts are that buying in to any of these procrastination myths will burden your family beyond belief when they have to lawyer up, go to court proceedings in order to try and legally sort out the mess that is left by not planning.

It's easier to look at what "Having your affairs in order" looks and feels like in order to truly understand that you have probably been performing many of the family and financial aspects of life all along. The important aspect of both parts which has gotten out of control in today's society is that there is a belief that none of this needs to be done until later in life. This is a tragic belief that costs well-meaning families tens of thousands of dollars and untold anguish and undue burden. Perhaps you have witnessed this.

**Having your affairs in order means you are forward looking and organized for the protection of yourself, your family and your assets throughout and beyond your lifetime.**

For families which have operated in this way, having their affairs in order most likely started when they got married and a parent asked if they had bought life insurance to ensure neither of them would have financial debt should/when one of them pass on. It took the timely parental prompting along with the human qualities of forward thinking, important conversation and united decision making to get to that life decision. If you did that, we applaud your accomplishment! For some this is deeply difficult, and those pushing through the process deserve extra accolades.

This is just one example for the bigger picture of "Having your affairs in order". It is a lifetime of using these three qualities at exacting time intervals throughout life. Having your affairs in order is not something you wait to do later in life like another task on the to-do list. It is making sure you protect the people and things in your life, as you go through your life.

**Having your affairs in order should be a generational process, but it appears that within just a few generations the family conversations have been lost for many families, or the process has turned into a horrible game of telephone.**

We will go through the action times for communication and decisions that give us confidence and peace of mind for our fantastic unknown journey into the future. The key point to keep as your main motivator is that something will happen to you sooner or later and you need to be prepared. We hope that we all live long lives, but as many people find out that "something" can happen at any time, like tomorrow. Once something happens, there is a legal line in the sand that divides those who have planned, and those who have not. If you have read our book, "A Legacy Undone" you have learned a great deal about how the legal aspects of having your affairs in order can play out.

Whatever your age, race, religion, or financial status, these personal and legal actions pertain to us all equally under the laws of our country. Through our conversations you will be able to clearly see if you are on track, need to catch up some things, or are in the danger zone.

If this subject makes you feel uneasy, think of it in these terms:

**The leaders of the world have chosen you to make the one way journey to Mars, and you leave next week. What do you need to take care of?**

## **Points In Time: A Timely Conversation for Parents and Newlyweds**

Having a son or daughter get married is such a joyous time and a lot of attention goes into making the wedding day go as smoothly as possible. For parents, it is also a time to take the opportunity to talk with the happy couple about protecting their finances and family, after the honeymoon of course. Before they take off just let them know you would like to sit down with them and talk through some important family stuff when they return. Now you have set the stage in a non-awkward way.

This is the perfect opportunity for one of life's timely family conversations. It's a moment to impart your wisdom of savvy financial decisions like buying life insurance and having a simple Will created, just in case. Obviously, life insurance is there to make sure that if something happens to one of them, the other does not incur debt. How much coverage is dependent on how much debt they plan on accruing in the near future. If the couple is planning on buying a house, there needs to be enough insurance to pay it off. This is critical! We do not want our sons or daughters strapped with debt in this scenario. It is hard enough to have lost a spouse, and the impact of greater debt can make for a longer struggle with moving forward. Please paint those pictures clearly, with examples. Ask them to remember to have this conversation with their children. This moves the conversation to future generations.

Of course, to have their affairs in order, they need to have those insurance papers with their lawyer. Also, user names and passwords should always be updated and stored where the other spouse can access them if needed. If you have taken our Estate Planning Solutions for Families video course, you know just how to do this securely and effectively.

Remember, these conversations are how we move our families into "Having" their affairs in order as they go through life.

As we continue to write about these points in time for these conversations, you will see the pattern that many of these opportunities are when a person's legal status changes in some way. In this case, they were single and became married. The laws of our land now view them differently and they need to know this in order to legally protect themselves as a married couple. If we don't teach them this, there is nobody else to do it and the conversations get lost, the generational chain is broken.

## **Points In Time: A Conversation About Minor Children**

As we wrote about in our book, *A Legacy Undone*, a lady exclaimed during one of our workshops that she had talked with her best friend about taking care of her minor children should something happen to

her and her husband. I asked her if she had put those wishes into her estate plan or through basic guardianship documents. You could see the fear wash over her when she realized that she had not and that her friend would be asked the question in custody court, “Prove that you had that conversation”. You see, anyone could make a claim of the same conversation, but without the legal precedent of properly putting it in writing, it’s merely hearsay to the courts.

So, when your son or daughter has a child, it is critical that they have guardianship papers drawn up and added to their estate plan. By doing this, they can decide who will be responsible for raising their children and it is a legal precedent they have set. Of course anyone can challenge the precedent, but undoing these wishes would take an extreme circumstance.

Single parents are most at risk in this scenario because there is only one of you. With divorce rates so high, there are many things to consider. Will the Ex challenge the precedent? Will grandparents think it should be them? Will siblings think they are better suited? Does that child stand to inherit a large sum of money in the future, (something else to add to your estate plan at this time) and greed shows up to try and claim the child? As much as we would like to think these things will not happen, it happens all of the time. You need to make sure by taking the legal steps necessary as soon as the point in time comes along.

## **Points in Time: A Timely Conversation with Your 18 Year Old**

As we pointed out earlier, how the legal system views us as we move through life affects us and those closest to us, family.

When our children turn 18 years of age, our local, State and Federal governments move them into the legal status of an adult citizen. They are now isolated, legally, away from the family. They are no longer protected by the family as an adolescent, but now take on all of the responsibilities of a single adult unit within the laws set forth in this country. They now become responsible for their actions both good and bad. It is interesting to note that in our book, **A Legacy Undone** isolation was the one most powerful action Billy used to carry out his greedy plan to take Jean and her money.

As parents, the only way to tie our children legally back to the family is to have the legal documents of an estate plan in place. If we want to have our children to be heirs of any of our things and stuff, this is the only way it works! If something happened to you today and these legal documents are not in place, the laws of your State will determine what happens to your finances and personal belongings. Your family will just be along for the ride, and the burden of those emotions can be devastating.

The opportunity for a timely conversation is upon us. It is critical that our newly isolated adult child knows about this legal status change and the things they are responsible for. For those parents who have their affairs in order, it is a good time to have a truthful conversation about their own mortality and how they have prepared to legally deal with the inevitable. For those not legally prepared, we

still need to have the conversation and show how we will take the steps necessary to put our affairs in order. It is the biggest opportunity to demonstrate that we are human, bad things can happen at any time, there are legal issues, and we are prepared or are preparing.

If we are being truthful with ourselves, we know that not helping them understand how laws work and their role as an adult will only serve to leave them vulnerable. There might be time to talk later, but when is later? What if they go off to college, or move out on their own and something happens to you? What happens is that they don't know what to do, who to call, how the legal system works in this circumstance? What happens is that they are left to try and figure it out. They may spend a lot of money on lawyers and the courts, which can lead to a burden both emotionally and financially. We have even heard from folks who have become resentful of the parent for not teaching them what to do.

More than 50% of Americans do not have a Will according to the Insurance Institute. We all have the opportunity to teach our children and hopefully these timely conversation tips will help you get ahead of the curve. That's where good things happen!

## **Points in Time**

### **“The Fifty Factor”**

“The Fifty Factor” is the most important benchmark in time for those who did not put their affairs in order as they went along, or those adult children who do not have a clue as to whether or not their aging parents have put their wishes in legal form to protect their family and finances.

Here is how it works; So, you did not put your affairs in order, but now want to bring the family up to speed on the critical need to have affairs in order as you go, and as they go through life. We use the age 50 just to have a line in the sand to work from, you may be older than this, but the same principals apply. To bring the family into the loop, you need to have a conversation with them about your estate plans and how they (your children) need to take action to get caught up in having their affairs in order. Now you have these Points In Time to help them understand what is at stake as legal statuses change. As the elders, we need to demonstrate our leadership to get them on track and also let them know you are prepared for the future as well. We need to let our adult children know we are on track in order to remove any worry or fear they may be having about us moving in to old age without a legal plan of action. They may be worried silly, but don't know how to approach the subject with you. Ease their concerns.

For adult children who are worried, if your parent(s) is 50, or older, and has not talked with you about their wishes and whether or not they have put their affairs in order, you need to start the conversation. Waiting to do this should not be an option for you, there is too much at stake and there is really no good reason not to. At 50, age related symptoms start to pop up and sound judgment about finances and later in life decisions can start to dissipate in some people.

Keep in mind, this is not about you. This is about making sure your parents have taken the proper and legal steps to protect their finances for their future. It is a caring and thoughtful conversation designed to have an open conversation from all perspectives. We believe this conversation is a responsibility. You do not want to be in a position where an aging parent becomes incapacitated, or worse, and you find out nothing has been done. It's too late then and you may be the one who shoulders the burden of trying to piece together information for their well-being now and in the future, information that may be hard or impossible to find. Also, you will not have the legal rights to access this information, thus

the process of hiring lawyers and going through court to possibly gain guardianship or prove heir apparent. You can stop this from happening now by just having a conversation and getting your own position fix on what needs to be done. If your parent(s) have not taken the steps to put their affairs in order, you can help them be savvy and confident. This may take some of your time now, but nothing compared to the time, and your own finances, you will spend if you wait until it's too late. How adult children approach a parent is critical. If you approach your parent and you have never had talks of financial well-being, you may be perceived as greedy or entitled. If you have siblings, they may perceive your action as a power play, or that you are trying to leave them out of the conversation. If you go to your siblings first, you all may be viewed as conspiring against the parent by the parent. "Oh, you all think you know best behind my back".

Some examples of "How" you might broach the subject;

Dad, we have been working to put our affairs in order and making an estate plan. This got me to wondering if you have legally planned for your future. Can we talk about that, maybe you can help us with our plan?

Mom, I read this great book about putting our affairs in order and making an estate plan, which got me to thinking if you have done this already? Maybe you could help us with our plan.

Mom and dad, we have been working on putting our affairs in order and making an estate plan.

Can I pick your brain on how you did this? I think it would be important to have the whole family there when we talk if that's okay? (Inviting siblings from the start)

(E-mail to parents and all siblings) Hi everyone, can't wait to get together for the holiday! We have started putting our affairs in order and making an estate plan. We took a great video course on how to do this and would like an opportunity to share with all of you at the same time.

Of course you need to be prepared for the replies like;

That's none of your business

You don't have to worry about that

So, you're after my money

We call these the crotchety response. Pure defensiveness, which can only be overcome with truths;

Well, it will be my/our business eventually and I/we need to know what that looks like

Well, I/we are worried about that and you have never indicated that you have a plan of action.

(Side note: We have talked to many people who had a parent say not to worry, only to find out nothing was in place)

I/we are not after your money, it's not mine/ours to be after. I/we just want to be sure you have a legal plan for your future should you become sick or have an accident. I/we just care about you.

If you don't have a plan yet, that's okay, I/we can help you put that together if you want.

There is no magic wand here and you must decide your approach and own it. Just keep in mind that not approaching it could mean financial disaster for them. Remember they may not have had anyone teach them either. It's the business of family and a caring loving approach is best.

The opportunity is now, take the time to talk. A gentle and loving conversation now can save the whole family from the heartache of everything that comes with waiting until it's too late.

Parents 50 and over, hopefully you can see that you hold the key to leadership here and helping your children to avoid having to approach you. Step up and take care of business, they will hopefully appreciate you and may even see a whole new you being in the lead.

Thank you for reading this e-book. We hope we have sparked family leadership in you, we are hopeful for you and your family!

**To find out more, please visit our website at [www.ALegacyUndone.com](http://www.ALegacyUndone.com)**