

TITLES CAN BE DECEIVING

I was fortunate enough to speak at the South Fayette Senior Citizens Center last month in regard to wills, powers of attorneys, living wills, probate, titling of assets, etc. As always, I was dismayed when I realized how much misinformation had been fed to people and how confused many people are as to why certain documents are needed and why certain assets need to be titled in a particular way.

So...in an attempt to simplify the issues, I give you commons myths of estate and personal planning.

MYTH

1. My executor will be able to manage my affairs if I am not able to.
2. If I go to the bank to enable my daughter to sign checks for me, the bank personnel will automatically only give my daughter signing authority.
3. If my Will says that all of my assets are split among my children, that is what will happen.

FACTS

1. Your executor is only able to take care of things after you have passed away. The executor has no powers during your life. (This corrects the misconception that if you have a Will naming an executor you do not need a Power of Attorney which names an agent for you to act for you if you become incapacitated.)
2. Often, bank personnel automatically convert the account into a joint tenancy with the right of survivorship. This gives your daughter ownership rights so that when you pass away the money automatically becomes hers. (This will prevent the money from passing through your Will.)
3. If your assets are held as joint tenants with the right of survivorship, that asset will past to the surviving joint tenant, not through your Will. The same holds true for assets held in trust for, payable on death and/or containing

a beneficiary. These assets will **NOT** pass through your Will.

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| 4. I should put my assets into a living trust. | 4. It is doubtful that you need to go to the expense and aggravation of a living trust. Typically, a simple Will is more economical and beneficial. |
| 5. Probate is a lengthy and expensive procedure. | 5. Probate should NOT be an extremely expensive or lengthy procedure. A knowledgeable attorney and a well drafted Will should prevent an unpleasant experience. |
| 6. I should convey my house to my child for one dollar. | 6. If the value has increased since you purchased the property, it is usually more economical for your child to receive the property when you pass away then to receive it as a gift during your lifetime. If your child receives the property as a gift during your lifetime, he or she takes your cost basis and will be subject to capital gains tax when he or she goes to sell the property. (There are exceptions to this rule). |
| 7. I can rely on a standardized Will form on the internet. | 7. Have an attorney involved in the preparation of your Will. Those forms are merely guidelines and are used nationwide. They do not take into account your own personal situation and/or your state's laws. |
| 8. Once I have my Will, Power of Attorney and Living Will, I am done. | 8. You're 99% of the way there. Make sure your executor, attorney and family know where to find important papers and assets when you pass away. Even someone with a perfect estate plan makes it difficult for those left behind if those left behind have no knowledge as to investments, insurance policies, safety deposit boxes, location of important papers, etc. |

Many of you out there have heard this all before. However, as I continue to speak at seminars, write columns and talk to clients, I am aware that these issues **need** to be reaffirmed. So, make sure your affairs are in order. Have your Will, Power of Attorney and Living Will updated and kept in a safe place. Make sure your executor and family know where to find important documents. Do not listen to the advice from a neighbor and assume what she is doing is best for you. Speak to a professional who will tailor your estate plan to your own personal situation. Good luck!