

LEGAL EASE



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No matter what your 'estate,' planning is needed

Estate planning is a process by which a person manages his or her property, either after his or her death, and/or during his or her lifetime. Many people are familiar with the concept of a will, but many times other documents are necessary to fully address an individual's estate planning needs. For that reason, the need for estate planning is not limited to the rich and famous.

If, during his or her lifetime, a person becomes unable to make health care and/or financial decisions themselves, one or more powers of attorney, drafted in advance, could provide assistance. Of course, a will is also a necessity, insofar as it gives a person much greater certainty as to who will inherit his or her assets after death.

There are many issues to consider when putting an estate plan in place, not the least of which is ensuring that funding will be available to pay any transfer taxes that may be due to the IRS, Pennsylvania Department of Revenue, or similar taxing authorities. These taxes are not limited to estate taxes, but may also include income, gift, and property taxes as well.

For that reason, estate planning is often a multi-disciplinary approach involving accountants, attorneys, insurance agents, and other professionals. Where a person has one or more business interests among his or her property holdings, often personnel managers, benefit consultants, and the like are also part of the process.

The benefits of estate planning are near universal and offer comfort in case of an unforeseen event. A person who is married and/or has children should not neglect having a plan in place. Where there are minor children, a person can nominate a guardian to supervise and care for those children.

Similarly, if a beneficiary under a will is too young or is disabled, a person can establish one or more trusts for the benefit of that beneficiary, thereby ensuring that an inheritance is managed appropriately. A well thought-out estate plan will provide for such circumstances, while also providing flexibility for unforeseen circumstances, such as an intended beneficiary unexpectedly predeceasing the person whose estate plan is being administered.

It may be necessary for a person from time to time to adjust his or her estate plan to reflect anticipated changes in the law and/or factual circumstances. While there are many advisers who may offer to assist with estate planning needs, will, trusts, powers of attorney, and other legal documents should only be prepared by a qualified lawyer.

In short, you can benefit from estate planning, both in deciding how to distribute property after your death, but also in determining how your property will be managed during your lifetime.