

Estate Planning for the Younger Generation



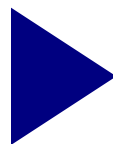
In today's complicated society all families, regardless of their resources and ages, can benefit from overall financial planning-- one aspect of which is estate planning!



MINI QUIZ

(Answers on back)

1. What percent of Americans pass away without writing a will?
A. 10% C. 54%
B. 33% D. 70%
2. What percent of Montanans paid an inheritance tax in 2017?
A. 100% D. 1%
B. 80% E. 0%
C. 50%
3. Bill has a \$100,000 life insurance policy. He designates his wife Ann as his primary beneficiary. Later Bill writes in his will "I bequest all life insurance proceeds to my son, Chris Shelton." Who gets \$100,000?
A. Ann, Designated Beneficiary
B. Chris, Devisee in will that was written more recently
4. Larry has property in joint tenancy with right of survivorship with his wife, Sharon. They have two children together. What fraction, if any, would each child receive if Larry dies in a car accident?
A. 1/6 D. 1/2
B. 1/3 E. None



PROTECTING ASSETS FOR YOUR CHILDREN

Question and Answers:

- Q1.** Who should be named in my will to take care of my children?

Answer: A written will can be used to nominate a guardian and conservator for the minor children if both parents die. A **guardian** is one who provides for children's care until they reach 18. The guardian has the power and responsibility of a parent to make decisions about the children's upbringing. A **conservator** provides for management and distribution of money and property until they reach 18.

- Q2.** How can I provide for children from a previous marriage?

Answer: Parents who have children from a previous marriage may want to assure these children inherit property. One way this goal can be accomplished is by the parent keeping some property in his or her name only or by writing separate wills or trusts or designate which children are to receive what assets and under what circumstances.





DO YOU HAVE CHILDREN?

Question and Answers continued:

Q3. Because Montana law stipulates that minors receive their inheritance when they reach age 18, what can I do if I don't think my children would be responsible enough to manage their inheritance at this age?

Answer: *Rather than leaving the assets directly to the children and nominating a conservator you can have the assets left in a "family" trust for the children's benefit. When a will passes assets directly to a trust it is called a **testamentary trust**.*

Q4. How can I be sure that my children receive personal items that were important to me?

Answer: *The Montana Uniform Probate Code contains a provision allowing a person to refer in his or her will to write a **separate listing of tangible personal property** such as rings, quilts, coin collections, and so on. The list cannot be used to distribute cash, certificates of deposit, securities or any other personal property that has legal title.*

MSU EXTENSION ESTATE PLANNING WEBINARS

www.montana.edu/extensionecon/familyeconomics/webinars.html

Mini Quiz: 1. D 2. E 3. A. Because Ann is the designated beneficiary on the form 4. E. None to children, all goes to his wife, Sharon, because she is the surviving joint tenant. Scenario: Zero, Because the property is in joint tenancy with Becky. Becky receives all. Chris has unintentionally disinherited his two

Answers:

DYING WITHOUT A WILL INTERACTIVE WEB SITE

www.montana.edu/dyingwithoutawill

MSU EXTENSION RESOURCES

www.montana.edu/estateplanning, click **Estate Planning Publications**; Or, contact your local County Extension office

Below are examples of MontGuides that contain valuable information:

- Montana Common Law Marriage and Estate Planning
- Using a Bypass Trust to Provide for Children from Remarried, Step, and Blended Families
- Dying Without a Will in Montana
- Estate Planning for Families with Minor and/or Special Needs Children
- Montana Uniform Transfers to Minors Act (UTMA): Custodial Accounts for Children Under Age 21
- Property Ownership (sole ownership and joint tenancy)
- Revocable Living Trusts
- Transferring Your Farm or Ranch to Next Generation

SCENARIO! DO YOU KNOW THE ANSWER?

Chris and Becky have their property in joint tenancy with right of survivorship. Chris has two children from a prior marriage. Becky has one child from a prior marriage. Chris wrote a will leaving his half of the joint tenancy to his two sons. The total value of Chris's estate in 2017 is \$300,000. How much will each son receive?

- A. \$150,000
- B. \$75,000
- C. Zero

