

# Smart Women Have Their Estate Planning Houses in Order!

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*If you do not have your estate plan in place, please continue reading as this article will change your life! Get excited - as you are about to do one of the most important things to protect yourself, your family and your wealth!!!! Estate planning isn't just for the elderly; it is for women (smart women)!*

*Did you know that women own fifty percent of the total wealth in the United States? This percentage is expected to increase over the next decade. Surprisingly, many women do not have an estate plan in place. Without an estate plan, your family, your assets and you are completely exposed and vulnerable. Statistically, with women surviving their husbands, they must have their estate planning completed or their lives will be subject to the judicial system.*

*If you want to join the ranks of the smart women who have their estate planning in order, let us start with the basics. What is an estate plan? An estate plan is a trust, will, durable power of attorney and health care power of attorney. Here are some simple explanations.*

**Trust** - A trust is a legal document that is like a contract. You nominate individuals you know and trust to act as your "successor trustees". Your successor trustees will enjoy the legal authority to "step into your shoes" if you are alive but incapacitated.

A trust also enables you to avoid "probate". Probate is a process where a judge oversees the changing of legal title of your assets from your name into your beneficiary's names. The problem with probate is it is expensive, slow, and it is a public process.

A trust is a must for mothers with minor children! As a mother, you are able to "parent from the grave" with a trust. You decide when and how your children will inherit your estate.

What about your animals? The majority of pets that survive their owners are euthanized unnecessarily because no provisions have been made. You can include provisions in your trust that would enable your trustee to place your animals in a loving home or a no-kill animal shelter.

**Pour-Over Will** - Unlike a traditional will, when you have a trust, you execute an "abbreviated will" called a pour-over will. The purpose of this will is simple; it states that if you neglected to title your assets into the name of your trust and if they are subject to the probate proceeding, then you would like the judge to title those assets into the name of your trust. This is legally significant because this is the only document

that is made part of the public record. Since the will references your trust (and your trust is a confidential document, not part of the public record), the only thing the public would learn about you is that you have a trust.

**Durable Power of Attorney** - A durable power of attorney is a document that goes into effect if you are incapacitated. Without this document your loved ones would need to petition the court to enjoy these powers. The court process is called a "conservatorship" and usually costs



between six to twelve thousand dollars. A durable power of attorney usually costs around \$150.00 to \$200.00: You cannot afford not to have this document!

This document is important because it gives someone you nominate, know and trust, the power to step in and manage all of your non-trust related affairs.

**Health Care Power of Attorney** - The purpose of this document is to nominate people you know and trust to make your health care decisions when you are not able to make them for yourself. It also enables you to specify certain health care preferences in advance: e.g. would you want to be on life support if you were in a permanent vegetative state and life support was prolonging an inevitable death? Do you prefer to be buried or cremated? Do you want to donate your organs and tissues for transplant purposes? Are you willing to be a cadaver?

This is the most loving document in your estate plan. This takes all of the “guess work” out of an already difficult emotional situation. Can you imagine being hospitalized in a coma with all of your loved ones at your bedside wondering if you would want to be on a ventilator? Most of us do not take the time to discuss our medical wishes with our loved ones .

### ***Smart women have their estate plan in place!***

Estate planning protects your family as it enables you to make decisions in advance and keep your family unit in tact. Your family will not have to fight over whether to bury or cremate you or whether to donate your organs. You get to nominate individuals to raise your minor children instead of having well-intentioned family members fighting in court.

I had a client whose husband did not believe they needed an estate plan. It was a second marriage for both of them. They had no children in common. They both had children from their first marriages. The wife had sold her home to move into her husband’s larger home. She mentioned to her husband that they should execute an estate plan but he didn’t feel it was necessary since California is a “community property state”. He said that if he died, she would inherit everything as his surviving wife. Sadly, he was mistaken.

Since the husband had a daughter from a prior marriage and since he never added his new wife onto title of his home, upon his death the home was divided 50/50 between the surviving wife and husband’s daughter. Due to the rapidly

increasing housing market, the wife could not afford to buy the step-daughter out. The wife ended up having to rent an apartment. She does not know when she will be in a position to purchase another home.

Another thing people do not understand in California is that the law does not treat “step children” as “biological children”. In a blended family situation, say the husband has two girls and the wife has two boys (all children from marriage number one), without an estate plan in place, whichever spouse dies first, their biological children are disinherited. You can cure this problem with a proper estate plan.



***Women business owners must have an estate plan!*** You must take the time to do succession planning. Who will manage your business if you are suddenly incapacitated? You must have these documents in place! Do you want your business sold upon your death or passed down to your children? Do you give your child who has helped build the business a “right of first refusal”, e.g., the opportunity to purchase this business first?

***Blended families must have a plan!*** Many people do not realize that often in blended family situations, surviving spouses and biological children are disinherited under California Probate laws.

***Don't let the State of California handle your affairs - you should handle them now! There is no better time than the present to get your affairs in order. Please don't be one of those who says, "What do I care, I will be dead." I cannot begin to share how many siblings I have met who will never speak again because one took mom's wedding ring and the other felt it should have been theirs. You can ensure the legacy you leave is a thoughtful, loving one if you take the time now to get your affairs in order.***

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