

Estate Planning . . . It's a Family Affair

by: Trevor S. Whitingⁱ

Countless movies and books have told the story of family members gathering together in the office of the family's attorney for a "reading of the will" when a loved-one has passed away. However, long past is the time when the family congregates to hear how the decedent's estate is to be divided, waiting to hear of surprising bequests to unusual, and sometimes unknown, beneficiaries. More common these days is a family that is already aware of the bequests to be made and the beneficiaries involved. This awareness is due to greater involvement of the family when parents create their estate plan.

Estate planning through family meetings is the process by which parents or other family members keep their loved-ones "in the loop" with regards to how their affairs should be handled upon death or disability. Such a process facilitates the implementation of an estate plan and leads to a more harmonious and effective administration of a decedent's estate. Nevertheless, many individuals still fail to include their family members when setting up their estate plan.

How is the best way to go about holding a family meeting for estate planning purposes? Typically, parents will first work with their estate planning attorney to discuss the goals they want to accomplish with the wealth that they have accumulated during their lives: provide financial security for their children and grandchildren, minimize taxes for their beneficiaries, or maybe establish a legacy of charitable giving. The attorney then works with mom and dad to determine the best way to accomplish these goals through the use of Wills, Powers of Attorney, and Trusts.

Once these steps have been performed, it is time to involve the rest of the family. The purpose of the family meeting is to make sure that the parents' wishes are known, obtain feedback from other family members, ease anxieties, and maintain family harmony. In addition, there may be certain strategies for saving estate and inheritance taxes and preserving a family business that are better achieved with the participation of each member of the family. Mom and dad may want to lead the discussion, or they may choose to have the estate attorney discuss the legal workings and complications of implementing an estate plan formed specifically to address the parents' goals. The intent of the meeting is to pass along information to all members of the family and to receive their input and feedback.

In addition to explaining the legal documents that make up the plan for distributing the assets of the estate, many parents use the family meeting to identify the legacy of values that they want to pass along to their children. More and more, parents are realizing that the value of a child's financial inheritance might not be worth as much as the heritage of morals, ethics, and character traits that they have spent so many years trying to develop in their offspring. The practice of drafting a document known as an "Ethical Will" is becoming increasingly popular. An Ethical Will is an opportunity for an individual to communicate their greatest desires and wishes for those that they love. An example of an Ethical Will would be a letter written by mom and dad explaining to their children the value of honesty, integrity, charity, and hard work, discussing how the implementation of such traits helped the parents accumulate the financial wealth that they are able to leave to the kids. Such a gift will be treasured by the children, long after the inheritance has been spent.

The DANA LAW FIRM has had great success in maintaining family harmony through the use of family meetings in the estate planning process. Each time we hold a family meeting with our clients, we realize that we've not only been able to help mom and dad set up a great estate plan, but we've helped the family understand the value of what the parents have sought to do for the benefit of their children.

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