

# Warning! Your Parents' Estate Plan May Mean Trouble For You

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**T**he typical “estate planning” experience is one in which people go in and meet with an attorney, sign some documents, put them on a shelf or in a drawer, and never look at them again.

It’s very likely that IF your parents have worked with a lawyer to prepare a Will and/or Trust, this is what their experience, which means their plan is most likely seriously outdated and will not work when YOU need it, after their death or incapacity.

Even if they have had their plan created or reviewed within the last few years, it could still mean you’ll be dealing with the probate court or receive your inheritance in the wrong way.

## **This happened in my own family.**

When I was in law school, my father-in-law died. Suddenly, we found ourselves dealing with the probate court. I didn’t know much at the time, but I did know my in-laws had a trust and that was supposed to mean no probate.

Unfortunately, my father-in-law’s lawyer never transferred his assets into the trust and never made sure my in-laws did it themselves either.

## **Your parents’ estate plan is likely to fail.**

At the time, I thought for sure this lawyer must have committed malpractice. Only later, after working for one

of the best law firms in Los Angeles and interviewing many others did I discover, this was not malpractice, it was common practice. And, it means your parents’ estate plan, like my in-laws’, is likely to fail.

Not to mention, your parents’ estate plan most likely leaves your inheritance to you completely unprotected.

One client of mine inherited over a million dollars; shortly afterwards he was sued and had a million dollar judgment levied against him. He never saw a penny of that million dollar inheritance. By the time he paid off the judgment, it was gone.

## **Your parents’ estate plan leaves your inheritance at risk.**

When I inherited \$50,000 from my father, I promptly mixed it in with our family funds, as most people do. When I later divorced, half of my inheritance went to my now ex-husband. It was not what my dad would have wanted.

And, if you already have your own \$2,000,000 estate (don’t forget to count your life insurance), every dollar you receive from your parents will be subject to estate tax at a 45% rate at your death. 45 cents for every dollar you receive from your parents, unnecessarily lost to the govt.

## **Your parents’ estate plan leaves you unable to do what they’ll need you to do.**

Last year, a client called me for help when her mom was on life support. Mom had planned back in 1997 and always intended to update her planning documents. She never got around to it. Sadly, her health care directive did not have the most up

to date provisions, which meant that our client could not get access to her mom’s medical records. Because of this, it took our client 3 weeks to get her mother moved to a respiratory center where they could have possibly weaned her off life support had she gotten moved more quickly. Would mom have lived if she had been moved sooner? We’ll never know.

What I do know is that you never want to be rendered helpless because your parents’ documents are outdated. It doesn’t have to be this way.

## **Get a guarantee your parents’ plan will work when you need it.**

When you have your parents’ estate plan reviewed by our office, you will know with certainty you’ll have everything you need if you have to take care of your parents, you won’t have to deal with a long, expensive court process in the event of their death or incapacity and that dealing with things after they are gone will be as easy as possible. Plus, you can ensure that what you receive from them is totally protected from divorce, lawsuits and estate taxes.

Our fee to review your parents’ estate plan is \$950. This fee is waived for Family Wealth VIP Members. If you have not yet taken advantage of this, call our office so we can give you the peace of mind of knowing mom and dad really do have it all taken care of.

*Alexis Neely is the owner of Martin Neely & Associates, a family-centered law practice in Redondo Beach, CA and is the founder of the Family Wealth Planning Institute, a company that teaches lawyers to serve families who want to leave the world a better place. Get Alexis’ Family Wealth Building “Family Wealth Secrets” at [www.FamilyWealthMatters.com](http://www.FamilyWealthMatters.com).*