

Is it Time to Have Your Estate Plan Reviewed?

Article by: Phil Craig

As a newsletter writer, I get bombarded with questions.

I feel sorry for many of the folks who write, since they have gotten themselves into some pretty serious legal problems.

I can't (and don't) respond to specific questions, but sometimes like to change the questions around a little (to protect the person asking) and give my comments so everyone can learn.

Listen to this poor widow (not only has she just lost her husband, but now she is in the middle of a legal mess):

Dear Mr. Craig,

I have had an AB Living Trust since 1992. My husband recently passed away.

I am confused as what to do about our living trust.

Some items, mentioned in the trust (real estate) were never deeded to trust (still in joint tenancy).

At the time of my husband's death, some investment items were (are) still in my husband's name, with no beneficiary, especially items from our late daughter's estate (deceased 2002) including one-half share in my late daughter's house (there was a probate distribution which gave equal shares to my husband and myself). This was never changed to our living trust or to joint tenancy.

My husband's half share of our house is worth over \$100,000. Evidently this will have to go through probate. Without the house, my husband's assets are less than \$100,000. I have had "offer" by a lawyer to clear up the living trust for about \$3,000, plus an attempt at an "Estate of Heggsted" petition to avoid Probate (another \$3000 or so).

I didn't realize a Living Trust could be so complicated or expensive.

I thought a "Pour-Over Will" would put items not listed into the trust.

Plus, I didn't realize what an AB Living Trust meant and that it had to be divided between the survivor and the deceased spouse and that I am limited as to what I can use from his share.

I'm learning the hard way. Sorry this seems so confusing.

My first impression? When did they last go over their estate plan with their lawyer?

Here they violated one of the main rules in estate planning: whenever there is a major change in your life situation (a life changing event such as the death of a close family member) you should (probably must) review your estate plan to see what changes are required.

If you don't, you could be faced with the same problems faced by this poor widow.

Good luck and until next time,

Phil Craig

P.S. Feel free to forward this on to any friends. Phil Craig is a licensed attorney and entrepreneur. He started practicing law at age 25 in 1979. He does not take on any more clients, but is advisor to some of the biggest names in the internet world. He shares his knowledge gained over the last 25 years at his Living Trust Secrets newsletter site: click here=====><http://www.LivingTrustSecrets.com>

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