

Note to Porter Simon clients – this came to me through one of the many estate planning networks of which I’m a member, and thought it was a nice little piece summarizing some common misconceptions – Kelley R. Carroll

Ten Dangerous Estate-Planning Fantasies

By [FREYA ALLEN SHOFFNER](#) - an attorney in Boston who focuses on estate planning.

Estate Planning is great. It is an empowering tool that can be used in a multitude of ways. Planning your estate means designing the documents that will direct how your assets are handled now and in the future. Making an estate plan that works means avoiding the difficulties of conservatorship, guardianship, and a complicated probate process. A good plan can help you and your family save many thousands of dollars in taxes. It allows you to make your medical decisions in advance.

Unfortunately many people have fallen for the many myths and fantasies about estate planning. Often, their families and loved-ones are left with nothing but huge bills, complicated probate proceedings, and even nasty lawsuits.

Here are ten dangerous estate-planning fantasies. Which ones do you believe?

1) I’m Too Young For An Estate Plan. False. If you have passed your eighteenth birthday, you need an estate plan. Every pot of gold comes with a pot, and your estate plan is the pot that holds your gold. Your estate plan helps you manage your assets during your life, if you are disabled, at death, and after. Don't leave Earth without it.

2) I’m Too Poor For An Estate Plan. Wrong. Estate planning is essential for everyone who is concerned about how their assets are managed now and how they will be distributed after their death. Don't forget, once you take into account the value of your home, your retirement funds, and insurance policies, you might be wealthier than you thought.

3) A Simple Will Is All I Need. Not Necessarily. Many people have the mistaken belief that their Will controls where all their assets will go. However, many assets like insurance proceeds, retirement plans, IRAs, annuities, and even bank accounts may automatically become the property of someone else. Be sure to review all of your co-owned assets when you begin your estate plan.

4) Once I Write My Will, I’m Done. Absolutely Not. Birth, adoption, divorce, death, and many other factors can change the way you should set up your plan. Review your estate plan periodically, especially when there are major changes in your life.

5) I’ll Just Leave Everything to My Spouse So I Won’t Have To Pay Taxes. Not True. The federal government and many states do offer a tax credit for assets that pass to your spouse. However, if you leave everything to your spouse, you may be throwing

away half of the credit.

6) I Can Make Unlimited Gifts to My Children To Avoid Estate Taxes. A Myth.

While making gifts to your children can lower your estate tax total, you need to do it properly to make the most of the gift tax laws.

7) My Closest Relative Will Automatically Be My Children's Guardian. No.

Guardianship of minor children is an important aspect of estate planning that requires thought and careful consideration, nothing about it is automatic.

8) Life Insurance Doesn't Count For Estate Taxes. Another myth.

Life insurance proceeds are part of the policy owner's taxable estate. And, if you forget to name a beneficiary they could be part of your probate estate as well.

9) If I Go Into A Nursing Home the State Will Take All of My Money. False.

There are many ways to plan for payment of long term care expenses. Sit down with your attorney to discuss long-term care strategies.

10) An Online Form Is All I Need. Very Wrong.

While online estate planning forms might give you an idea about what to do, every state has different requirements for the specifics of a Will. Remember, your estate plan is the container that will hold all of your wealth. Don't risk your family's future security on a fill-in form.

Don't be fooled. With a little thought and the help of a good attorney, your estate plan will work to protect your hard-earned wealth for decades to come.