

Estate Planning Assessment

Take this simple test to see if your Estate Planning is up to date.

- | | Don't Know | No | Yes |
|--|--------------------------|--------------------------|--------------------------|
| 1. Have you prepared a Will or a Trust?
Without proactive planning, you are relying on the Maryland legislature to determine how your assets pass, to whom they pass, and when they pass. In addition to having potentially undesired results, this is perhaps the most costly and time consuming means of passing your assets to your loved ones. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. If you have done a Will or Trust, has it been reviewed in the last two years?
Even assuming that you have not had any family or financial changes since your plan was last reviewed, there have been major federal tax law changes in 1997 and in 2001. Additionally, the Maryland legislature made significant changes to Maryland's estate tax structure in 2002 and 2004. An out-of-date estate plan is perhaps worse than no estate plan at all. Our experience is that people view estate planning as an event rather than a process. Keeping your plan current is vital to achieving the goals you set out to accomplish. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. Are any of your heirs under the age of 18 or financially irresponsible?
Under Maryland law, children inherit property no later than age 18 <i>without restriction</i> . Proper planning is crucial to prevent an heir from squandering his or her inheritance, or worse, from causing harm to himself or herself. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. Are you <i>absolutely certain</i> that your assets will not be subject to probate?
We encourage you to make a list of each asset you own and identify how each asset is going to avoid probate. Assets owned as "joint tenants with rights of survivorship," assets owned in the name of a trust, and assets that pass by beneficiary designation (such as IRAs, life insurance, etc.) will avoid probate. Everything else is subject to probate. (Also, note that assets owned jointly are typically subject to probate upon the death of the last joint tenant.) Probate can be costly and typically requires twelve (12) to eighteen (18) months from the date of death to conclude. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 5. Do you have assets titled jointly with a child or children, or someone else?
Holding assets jointly with someone other than a spouse is quite common, but has some potentially devastating consequences of which most people are unaware. A creditor would include a divorcing spouse, judgment creditor, or business creditor. Additionally, problems can be created if joint tenants die in the wrong order. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 6. Does your current plan provide your heirs with asset protection, divorce protection, and lawsuit protection?
The most common means of providing for heirs is with outright distributions. By doing so, however, the inheritance becomes subject to the creditors of your heirs. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 7. Is this your first marriage?
Second or subsequent marriages present unique planning issues, particularly if both spouses have children from a prior marriage. Proper planning is critical to prevent undesired results. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

If you answered "No" to any of the above questions or "Yes" to #5, you should make an appointment to speak to an attorney about your estate plan.