

"Your Estate Matters" Legal-ease

By Ronda M. Gabb, NP, JD, RFC



LLLLLLET'S GET READY TO RUMBLE!

After reading the above headline, I know you hear that famous Michael Buffer cadence in your head, right? But it's meant for professional fights in a boxing ring, not from your own loved ones OVER a diamond ring! Probably the most-asked question I get from clients: "How do I keep my kids from fighting after I'm gone?" Make sure that the last check from your checkbook is to the funeral home...and it bounces! (Insert joke rimshot here: ba-dum-bum-CHING!)

I realize that the vast majority of you will not implement that strategy, so what to do? Let's try and make a plan. Surprisingly, the tchotchkes (chotskies, knick-knacks) often start the nasty fights! These are generally sentimental items that are not necessarily valuable in nature to anyone else. There is a great workbook we recommend to our clients, called "Who Gets Grandma's Yellow Pie Plate." Just GOOGLE the book name and you will be directed to a link to watch a FREE 38-minute video of the book and its principles from the University of Minnesota Extension. This is fantastic information that might just save your kids' relationships.

However, if you have high-dollar, non-titled, personal items that you would like to leave to a particular person, those items should be specifically mentioned in your Will or Living Trust. Or, in the alternative, if you know these high-dollar items will cause family strife, and you don't sell them during your lifetime, you can direct your executor to sell them to a disinterested third-party as the cash it brings can be easily divided among your recipients.

Beware of specific bequests of titled items. Why? One reason this may not be a good idea is because the values can change. When you made your Will or Living Trust, your beach property and primary home were the same value. When you die, the beach property is worth \$250,000 more. Or, what if the family home was left to one child and the other child gets the "remainder" then you had a long-term illness before your death and most of the "remainder" was used to pay for your care? Neither of these two scenarios have a fair end result. In the first scenario, perhaps a better choice would have been to leave to each child a bequest of the "right of first refusal" to buy the specified property from the estate for fair market value and

if they chose not to, the asset is simply shared equally.

What if the assets themselves change between the time your Will is drafted and the time you die? I often see Wills with specific bequests of a particular vehicle by year/model and/or home by particular address, when they really meant "any" car or primary home I own upon my death. We saw a Will drafted in the 1980's that was all specific bequests with no "residual" clause. Upon the lady's death, none of the assets mentioned existed any longer so her entire estate fell through intestacy (as if there was no Will) to her three children. Her original Will left nothing to one son, from whom she was estranged for 40+ years, but upon her demise this son now inherited one-third (1/3) of her estate because of a very bad Will.

Sometimes the best choice for executor is a close trusted friend/family member rather than the children, which could preserve your children's relationships. Regardless, the more you openly discuss your legacies and wishes (leaving no "surprises" behind), the better chance your family will be "humble" rather than "rumble."



See other articles and issues of interest!



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