

The Top 10 Reasons You Need a Will

1. You probably don't have one.

If you're like most Americans, you've been putting off having a Last Will & Testament prepared for too long. Most of us have strong feelings about who should inherit our money, real estate, personal possessions, and other assets—and who shouldn't. But the sad truth is that we usually fail to put our wishes in writing. By preparing a Will, you can leave the people you care about with clear instructions as to your final wishes and save them time, money, and a lot of stress.

2. You probably don't know what happens if you die without a Will.

Like most states, Wisconsin has rules to determine who inherits from you if you die without a Will. Most people don't know what these rules are—and they might not be happy if they did!

Consider a few examples:

- *If you have a spouse and children that are descendants of that spouse – the spouse inherits everything and the children nothing.*
- *If you have a spouse and at least one child that is not a descendant of that spouse – spouse inherits ½ of your separate property and children inherit your share of the community property, plus ½ of your separate property.*
- *If you have siblings but no spouse, children or parents then the siblings inherit everything.*

The good news is that having a Will prepared is easy and will ensure that your assets go to the people or charities you choose.

3. Even if you do have a Will, it may be out of date.

A Will is not a static document. It may need to be revised from time to time to reflect changes in your life circumstances. As a general rule, an estate plan should be reviewed every three to five years to ensure that it is still current. A few reasons a Will may need to be revised include the following:

- You have gotten married or divorced.
- Someone named in your Will has died, or new beneficiaries have been born.
- Your assets have increased or decreased significantly, including any changes in your life insurance coverage.
- You have bought or sold real estate, whether in Wisconsin or another state.
- You want to change who will receive a bequest from your estate.

4. You can decide who will settle your estate.

Settling an estate should be left to someone who is honest and well organized. This person, called your Personal Representative, must manage a long list of complex tasks that includes reporting estate assets, paying creditors, filing tax returns, and making distributions. Without a Will to guide them, the courts would be forced to select a Personal Representative on your behalf. The person chosen might not have your best interests at heart and could even be one of your creditors. Part of the peace of mind that comes from having a Will prepared is knowing that your estate will be settled by someone you trust.

5. A Will can help prevent disputes among your family members.

A carefully drafted Will takes any potential hazards into account. For example, your attorney can include special provisions to help prevent hostile family members from challenging the document, or specific instructions for dividing up complex assets among your beneficiaries. Your attorney can address any potential problems and suggest the best options for preventing them.

6. Your Will can include a Gifts to Charity which may help minimize estate taxes.

Estates valued at more than \$5.34 million will be subject to the federal estate tax, with a tax rate of up to 40 percent. Gifts to Charity can help reduce and in some cases eliminate taxes on your estate.

7. You can appoint guardians for any minor children.

If you have young children, choosing guardians to care for them in case both parents are gone can be a challenge. The couple (or person) should of course be responsible and love your children. But you should also consider other factors, such as the candidates' parenting philosophy and religious beliefs, and whether they live near other relatives and good schools. Once you have settled on who your guardians will be, naming them should be among your Will's essential provisions.

8. You can set up trusts for children who are minors or have special needs.

Some people simply shouldn't receive an inheritance outright. Young people might not be mature enough to manage even a modest inheritance, and someone on government assistance could have his benefits taken away if he suddenly has money in the bank. By including one or more trusts in your Will, you can appoint someone, called the trustee, to manage these assets on the beneficiaries' behalf. Trusts for children can even include incentives for completing college or allow for distributions to help the child start a small business, put a down payment on a house, or pay for a wedding.

9. Your Gift Planning Counselor can help coordinate your Will with assets the Will does not control, like life insurance and retirement accounts.

Estate planning doesn't end with your Will. Assets that name a beneficiary, such as life insurance or retirement accounts, are beyond the reach of your Will and should be set up to work in harmony with it. Jointly held property, which belongs to the survivor when one owner dies, should also be considered. The consequences of missing this essential step can be heartbreaking. There are too many stories of couples who had Wills prepared but neglected to update their beneficiary designations. When one spouse dies, the survivor may be left with little if the life insurance goes to an ex-girlfriend and the 401(k) to the decedent's parents. As part of preparing your Will, your attorney can help you prevent problems like these and provide for the people you care about most.

10. Your Gift Planning Counselor can also prepare your financial Power of Attorney and Advance Medical Directive.

In addition to a Will and updated beneficiary designations, a complete estate plan usually includes a financial Power of Attorney and an Advance Medical Directive. These documents allow you to appoint someone to manage your finances and medical needs in case you ever become unable to do so yourself. Having this paperwork ready when the need arises will help eliminate the need for a court-appointed guardian and can prevent disagreements among family members at an already difficult time. For those making medical decisions on your behalf, leaving clear instructions will also provide them with the assurance that they are making the right choices for your care.

