

DEBUNKING THE TOP ESTATE PLANNING MYTHS

**ALTMAN
& ASSOCIATES**

Estate, Legacy and Business Planning

The Key to Protecting the Future of Your Assets

BY GARY ALTMAN, ESQ.

At a time when people are looking for reasons to cut back on expenses, it's especially important to have all of the facts before sending something off to the chopping block. Below, I take a look at some of the most common myths about estate planning in hopes of underscoring its value and necessity – particularly during tough economic times.

1. Estate plans are only important for the Gates, Buffets and Rockefellers of the world.

False. In fact, nothing could be further from the truth. Yet, More than 60% of all Americans die without one, leaving their estates to be divided and taxed according to predetermined federal and state laws, perhaps in ways they didn't intend. Regardless of the size or value of your estate, peace of mind comes in having a thoughtfully and professionally prepared estate plan.

2. I can draft my own will using an online estate planning service.

False. This is a huge no-no. Buying a sweater online is one thing, but drafting a will online is another. If you think that you will be saving a few dollars by using forms found on the internet or in a do-it-yourself book to prepare your estate planning documents, then your family will be in for a rude awakening when they learn that part or all of your documents are not legally valid/don't work as you had anticipated or that your assets go to individuals not named in your Will due to outdated beneficiary designations.

3. I already have a will. I don't need further estate planning.

False. Think you're covered for life? This is one of the most common and tragic mistakes when it comes to estate planning. People dying with outdated, incomplete or unsigned wills – all are recipes for disaster.

Your (entire) estate plan – will, trusts, health care proxy, etc. - needs to be reviewed at least every four years and as often

as any of the following events/scenarios occur:

- The birth, death or disability of a child.
- A change in state residence.
- A change in marital status.
- A significant change in the value or character of your financial assets that would make your estate taxable on a Federal or State level.
- A change in intended beneficiaries.
- The death of a beneficiary.
- The death or disability of a guardian, trustee or personal representative.
- A change in tax laws affecting federal and or state estate tax deductions.
- A change in privacy laws that affect access to medical or financial information.
- You have minor or problem children.
- You want to leave some or all of your estate to charity.

Federal and State Laws are One in the Same.

False. Many states, including Maryland, have moved away from the Federal exemption of \$3,500,000 and exclude only up to \$1 million. Therefore, even if you are exempt on a Federal level, your estate may still be exposed to State estate taxes. Furthermore, most individuals don't realize that state laws are very specific about what can and can't be in a will, trust, or medical or financial power of attorney. Or who can and can't be a witness to a signing of a will or trust, and what formalities or protocols must be observed when signing. Working with a qualified estate planning attorney will help to avoid this kind of simple and yet costly mistake.

The Bottom Line:

Only a qualified estate lawyer can help you to sort out complex family or financial situations and ensure that your estate is distributed how and to whom you want it to upon your death.

Gary Altman, Esq. is the Principal and Founder of Altman & Associates, an estate planning law firm in Rockville, MD. He can be reached at 301-468-3220 or via email at gary@altmanassociates.net. To learn more, visit www.altmanassociates.net.

“Buying a sweater online is one thing, but drafting a will online is another.”

GARY ALTMAN, ESQ.
Altman & Associates

ALTMAN & ASSOCIATES

ROCKVILLE One Central Plaza, 11300 Rockville Pike, Suite 605

COLUMBIA 30 Corporate Center, 10440 Little Patuxent Parkway, Suite 328

301.468.3220 TEL • 301.468.3255 FAX

Additional articles available at www.altmanassociates.net

Copyright © 2009 by Gary Altman, Esq. All Rights Reserved.