



Every Estate Plan Needs a Good Helper

As you complete your estate plan, you will need to name various “helpers.” These are the people who will carry out your plan when the time comes. They have different names, depending on which document names them – trustee, executor, power of attorney, guardian. But in the end, their job is to act for you, legally, when you can’t. When is that? When you are disabled or you pass away. These helpers will be there to oversee the legal and financial issues of your estate and will also deal with your loved ones who are benefiting from your plan. You will not be there to help them or make sure they are doing it right. So, you better pick the right person now. (No pressure!) Here are seven things to consider in naming trustees, executors, powers of attorney or guardians.

1. Is the person ready to handle the job? They don’t have to be experts in law, accounting, or investments. However, they will oversee legal, tax, and financial issues, so it’s best if they aren’t intimidated by those things. They may need to get help from lawyers, accountants, and financial advisors. Will that be overwhelming for them?

2. Can you trust the person to make good decisions? Only in rare cases does someone steal money from an estate or trust. However, in many cases a person messes up because they make poor decisions or make no decision at all (which *really* is a decision in and of itself). Ask yourself, “Does this person handle their own money wisely?” Do they spend it well, save and rely on professionals? Do they listen if someone gives them good advice, or are they too stubborn?

When are you considered disabled?

When you can’t understand what is going on, or you can’t communicate your wishes. It’s the time when we have to take away your checkbook or car keys.

3. Will the person be placed in a difficult family situation by becoming a helper? This can happen when a sibling has to make decisions for another sibling, or a step-child is put in charge of managing the step-mother’s trust after the father’s death. Will the job duties cause conflict or even a broken relationship for the person you choose?

4. How often will the person need to be involved? For instance, if a disabled adult child stays at home after the parent’s death with local caregivers, who will oversee them if the trustee lives out of state? Would a local trustee be a good idea because they can drop in on the caregivers and address daily living details?

5. Is the person nearby? If not, does it matter? In many cases, a trustee who lives out of state may do a good job, especially if their duties are mostly big

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From Dave’s Desk...



Cinnamon toast! Mmm! It’s 3-year-old Cole’s most common breakfast request. And he often wants to help. With some close supervision he helps spread butter on the toast, or shakes cinnamon and sugar on as well. But it will be a while before he gets to help with the hot toaster. Growing up, kids need lots of help. As adults, it gets harder and harder to accept help, even when we need it. Well, the day is coming when you (and me) will probably need help, legally. We might need help paying bills after getting dementia. Or we may need help making health decisions after a stroke. As you pick your “legal helper,” be sure you pick wisely – it may make or break your plan.

EVERY ESTATE PLAN NEEDS A GOOD HELPER (CONTINUED)

picture. You should consider whether your trustee will be needed to do things that can only be done in person. For instance – sorting personal property.

6. Should you name an individual or professional, such as a bank? In many cases, a professional trustee easily pays for itself because of proper management and smart investments. It also helps avoid problems that can occur when an unprepared family member serves as trustee.

7. Is it a good idea to name co-trustees? The good thing about having co-trustees is that they can balance each other out. (There are checks and balances so to speak.) The bad thing is that they balance each other

out. If they get along, it can work great. If they can't agree, then we have a deadlock and the possibility that the court may have to resolve the fight. In most cases, when you name 2 co-trustees, one of the trustees will tend to do more or even most of the work. If that's the case, why not name that person as the sole trustee and avoid possible conflicts?

Let Us Help

Naming a helper or trustee can be a very daunting task. As always, we are here to help you create an effective estate plan. You don't have to do it alone. We'll guide you along every step of the way. Give us a call today and get started.



3 Myths About Helpers

1. I need to name my oldest child.
2. I should name all of my kids as co-executors.
3. My kids will figure things out without me.

7 TYPES OF HELPERS YOU MAY NEED TO WATCH OUT FOR

1. The Do-Nothing Mom died 2 years ago, but her house is still sitting empty, crumbling. Tax bills and utilities eat up the estate, while the rest of the family waits. He says he will "get to it soon."

2. The Messy One In grade school, this person couldn't find her homework. As a teenager? Clothes piled a foot deep in her bedroom. As an adult? She's often late to appointments (if she remembers them at all). And finances? Her checkbook has never been balanced, and she gets monthly overdraft notices. Now she's been named a trustee.

3. The Fighter His competitive spirit was great while playing sports in school. But it has not worked out so well with his family or his marriage. Being right is more important than anything else. And now, as a trustee, he gets to decide what's "right." There's no talking to him about it, because it's his job, and it's "none of your business how I do it."

4. The Romantic "I'm just not ready to sell grandpa's car or fishing cabin yet." This trustee lets her emotions get in the way of the job – which is to sell or distribute trust assets. Not just the car and cabin – what about personal property, how do you sort out or (gasp!) even throw stuff away? "It's just too hard, I can't do it yet."

5. The Bossy One Parents named Junior and Sissy as co-trustees, wanting both of them to have a say, to work together. But big brother is used to being in charge and taking over. He won't even talk to his sister about what is going on. "If you don't like it, go get a lawyer... I don't care if we spend the entire estate on legal fees!" Bossy brother pushes and threatens, leading the more reasonable sister to let him have his way. "It's just not worth it to try to fight."

6. The Stress Ball She's always running here and there, never any time to sit and talk about the estate. If you get her on the phone she says, "Sorry. Can't talk now. Can I call you back?" She means to do her job as trustee, but she can't find time for the things in her own life, much less this added duty. The family isn't sure what to do – take legal action or just wait a little longer.

7. The Broke One His ends never seem to meet, and he's always in financial crisis. Bill collectors call all the time. Now he's named as a trustee and gets a checkbook showing a nice balance. It's easy to rationalize – "I'll just take some of my inheritance early, to get past this crisis." But then he needs a little more and a little more. As time passes, the family wonders what has happened to the inheritance.



5 THINGS TO THINK ABOUT BEFORE NAMING CO-EXECUTORS

We often get the question, "Should we name more than one child as a co-executor?" In the end, it's a personal choice as to whether you do or not, but here are some things to think about.

1. Who will really do the work? Often if there are co-executors, we all know that one of them will end up doing all the work. (Kind of like group projects in school.) It may be because one child has more time, lives closer, likes dealing with paperwork or any number of other reasons. But if you know one child will end up doing the work anyway, then why not just name that child to begin with?

2. Do you need a watchdog? One reason to name co-executors is to make sure that one of them does not do something bad, like steal money. But ask yourself, is that really a true concern for your family? If so, maybe that child shouldn't be named at all. Or maybe in your case, a co-executor really is a good idea.

3. Naming co-executors creates extra work. If you name co-executors, then often *both* of them will need to sign financial and legal paperwork. If one of them lives out of town or is hard to reach, will it be a burden to track them down every time a signature is needed?

4. Naming co-executors can result in deadlock. The good thing about co-executors is they help watch each other. The bad thing is if they truly don't agree on what to do, then you have deadlock – and in some cases it may take a court to resolve the dispute.

5. Naming co-executors can result in procrastination. If you name co-executors, what if both of them say, "You do it," and they end up procrastinating and neither of them do it? Sometimes it's just better to have one person who knows it's their job to get things done.

Whether you name co-executors or not is a personal preference and choice. There's nothing really wrong with it, but unless there's a good reason, I usually lean away from recommending it.

2 Types of Help Needed

There are two types of help that people need when it comes to planning:

1. Help with finances - bill paying, investments and financial decisions.
2. Help with healthcare decisions - treatment, surgery, end of life decisions, where to live, how to get the best care, and when to sign a "do not resuscitate" order.

THE SECRET TEST FOR A HELPER

The secret test of a helper is to look at them and see how they handle their own lives now. Are they organized, under control? Do they make wise decisions? Are they handling their money well? Are they generous, kind? After you're gone, people will generally handle your money worse than they handle their own. They will generally be more difficult to deal with in serving as your helper than they are in dealing with their own lives. Being a helper is stressful, and the stress leads people to act worse than they normally do. So, however they're handling it now, they'll handle it worse after you're gone. Does that give you cause for concern?

3 TIME PERIODS OF A TRUSTEE

Duties can vary depending on when someone serves as a trustee. There are three basic time periods:

- 1. During a disability.** When the checkbook and car keys have been taken away, someone needs to pay bills, manage investments, and file tax returns. They may also need to help others in the family, if legal instructions allow it.
- 2. After death.** Immediately after death, someone will need to pay bills, sell or gather assets, file claims, file tax returns, and determine who gets what and when.
- 3. Ongoing trusts.** If trusts are continuing for other beneficiaries, then a trustee may be faced with decisions about how much money to distribute and when – decisions like whether to let someone buy a new car.



THE CHECKBOOK TEST

Who have you chosen as your executor or trustee? Now, what if I told you to give them your checkbook right now, and let them pay your bills for a couple of months? Does that make you nervous? If so, you may want to reconsider who you have chosen.

Upcoming Workshops

Intro to Edwards Group:

Wills and Trusts Orientation

Tuesday, November 19 @ 9:30 am

Thursday, December 12 @ 9:30 am

Life Care Planning:

13 Costly Misconceptions About
Healthcare for Your Aging Parents

Wednesday, December 4 @ 9:30 am



12 DUTIES OF A HELPER

1. Sell assets (car, house, property)
2. Make tax decisions, file tax returns
3. Pay bills
4. File claim forms on IRA's, annuities, life insurance
5. Follow the instructions of the trust
6. Make decisions on your care (at home, assisted living, nursing home)
7. Manage investments
8. Meet with attorneys and accountants
9. Sign legal documents
10. Negotiate sales of property
11. Referee disputes between other family members
12. Tell beneficiaries no when they ask for money

7 Keys to Choosing an Effective Helper for Your Estate

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