

What is Estate Planning?

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What is estate planning and isn't it primarily for the wealthy?

It is a common misconception that estate planning is important only for those with a lot of money or those who are elderly and have acquired a great deal of property and real estate over the course of their lives. In most states, if you own certain kinds or amounts of property your family could be subjected to a probate proceeding upon your death, the method by which the probate court decides who receives your assets. Even the smallest amount of assets qualifies as an estate. Estate planning involves investing the time now to save your loved ones months, if not years, of frustration, and potentially thousands of dollars in attorneys' fees, court fees and/or estate taxes. Effective estate planning entails the development of a will, a trust, a living will, a durable power of attorney, trusts for minors and many other devices to manage your assets and health care issues. Think of estate planning as building a bridge from one generation to the next that avoids the paralyzing delay and expense of probate and intrusion by the courts into your affairs and eliminate or reduce estate and capital gains taxes and to ensure that you preserve as much of your estate as possible.

More and more I hear about wills and trusts in the news. Why do I need a will or trust, and how do I decide which is right for me?

If you die without a will or a trust, the state of Florida decides for you who gets what, without regard to your wishes or your heirs' needs. This state driven process is known as intestate succession. In general, if you die and leave a spouse and children, your assets

will be split between your surviving mate and children. If you are single with no children, then the state is likely to decide who among your blood relatives will inherit your estate. To prevent the state from making decisions for you, you should at least execute a will to advise the court of your wishes. The downside is that a will guarantees your loved ones a one way trip to the probate court with all the costs, delays and other emotional impacts involved with the probate process. The most effective and efficient estate planning device is a trust. The trust is a non-public document and allows transfer of your assets to your loved ones without the costly intervention and delays caused by the state probate courts.

When is the right time to begin estate planning?

Lives lost due to the catastrophic events of September 11, 2001 (9/11), the wars in Iraq and Afghanistan and the four hurricanes that devastated Florida in 2004 have increased the awareness in people, young and old, of the importance of estate planning. Then there was the emotional impact of the Terri Schiavo case and the dispute over whether or not to remove her from life support due to the absence of a written living will. Unfortunately, a surprisingly large number of people die each year without a will or a trust. It is never too early to start planning. Those over the age of 18 should begin estate planning by at least preparing a will. Whether you are single or married, own a home or other assets, have minor children, it may be advisable to have a trust. Don't wait for a catastrophe to decide to begin your estate planning. Do it now. ■



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