

From Gary R. Waitzman
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Let's Talk About...



How can we help?

Is there a way we can help you or
your family?

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Will Your Estate Plan Work The Way It Should?

Although estate planning documents may be signed, the estate planning process is not complete until asset titles are changed so that they can be controlled by those documents. The act of retitling assets is called funding. So, when the estate planning attorney or your financial advisor speaks of funding your trust, for example, he or she is talking about changing the title to assets which may currently be owned individually or in joint tenancy, or may be controlled by contract, into the name of the trust.

One of the biggest mistakes made in the estate planning process is to spend a lot of time and money to create great documents, but then fail to complete the funding process. A good funding strategy is to make a comprehensive list of all assets and how they are currently titled. Next, the attorney can advise how things should be titled to fit with the estate planning documents that have been created. Then the attorney or a financial advisor can help to shepherd the asset through the ownership change paperwork.

If some asset is overlooked, or if you pass away before a recently-acquired asset can be properly funded, most plans will include a safety net called a pour over will. This is a special will that has one primary function – to take mistitled assets and pour them over into the trust or other planning entity where they belong. But you should never depend on the pour over will to handle funding. It should only be used as a last resort because, like any other will, the pour over will is required to go through the probate process...one of many things you were trying to avoid when you established your estate plan. Of course, as mentioned above, even a pour over will won't help with assets that are controlled by contract or are owned in joint tenancy at the time of death.

Funding is not necessarily fun, but it's also not terribly complicated. It is primarily a matter of contacting financial institutions and providing the proper paperwork to get the account and other asset titles changed. It can be tedious and time-consuming, and most institutions need to be followed up to ensure they get the work done, but it's not hard. Professional advisors should have processes and procedures to help you accomplish this important task, but it's up to you to avoid procrastination and to persevere until the funding is complete!

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