

Dying without a will could cause hardship for heirs

Prince, or the artist formerly known as Prince, or whatever his name ultimately was, made headlines throughout his life for his talent and eccentricities. However, the headlines after his death in 2016 revolved around the fact that he died with an estimated \$200 million estate and no documents in place to guide its disposition.

The estate reportedly took more than two years to settle, involved claims by more than 45 people purporting to be relatives, and cost around \$6 million in legal fees and expenses. By many reports, no payouts have been made from Prince's estate even now.

Aretha Franklin died earlier this year, also without a will. Her estate is estimated at \$80 million, but could grow significantly as her music sells at a brisk pace, as often happens posthumously. It seems likely that her four children will inherit the bulk of her estate, but it could take years for any payout. Because there was no will or trust directing the disposition of her assets, the courts will appoint an estate administrator, which generally slows down and confuses the process.

Prince and Aretha Franklin are not alone. Amy Winehouse died in 2018 without a will. Her parents inherited her assets, despite reports that her relationship with them was problematic. Looking back further, when Bob Marley died without a will, it took 30 years of legal wrangling for his family to inherit his assets. It also took Jimi Hendrix's estate 30 years to pay out, and then another 15 more when his father died, apparently also without a will.

The rock star lifestyle often does not include financial responsibility, so I guess we should not be surprised that many stars have passed without adequate planning. However, it is surprising to see those who have amassed such significant wealth take a cavalier attitude to it. Unfortunately, the problem is not limited to celebrities. A recent survey found that 60 percent of American adults do not have estate documents in place. The percentage rises to 81 percent for adults over 72, but that still leaves a significant number of people unprepared, and not everyone is fortunate enough to live to their seventies and beyond.

We may sometimes fantasize about



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emulating the lives of our favorite celebrities, but estate planning is not an area where celebrities should be role models. It is important to plan for our own passing in order to protect those we leave behind. It can be costly, time consuming, and cause a lot of discord if we fail to do so.

In New York State, if you die intestate, the courts generally divide your money between your spouse and children, with the spouse getting the first \$50,000 and half of the remainder. That may work out OK, but what if you are going through a divorce? Do you really want your spouse inheriting the bulk of your assets? Even if you have a strong marriage, the court-decreed split may not make sense. Do you want your children inheriting money that should go to support your spouse? Is it possible that your spouse will not have enough to live on in such a scenario?

If you are not married and have no children, your parents are first in line to inherit your belongings. If your parents are elderly, your money could go to cover long-term care costs that might otherwise have been paid for by Medicaid. If your parents have predeceased you, then your siblings take priority. With discord in many families these days, do you really want your siblings dividing your assets?

The point is, there are many nuances to family relationships, and general court orders cannot possibly take them all into consideration. That is why it is best to make those decisions while you are still alive through a will or living trust.

Assets are just part of the story. If you have minor children, there is an issue of guardianship. Typically, this is spelled out in your last will and testament. In fact, it can be one of the most difficult decisions to make

when preparing estate documents. Left to the courts, they will decide who is best equipped to raise your children to the age of 18. Perhaps this is your sibling who has that spouse you aren't crazy about, or your deadbeat sister who is only after the money that will be provided to care for your children.

Your children stand to inherit your assets at age 18. This can be problematic if you have considerable wealth. How many of us would have made wise decisions if we inherited significant dollars at the cusp of adulthood?

Worse, these scenarios all assume that people in your family generally get along. If there are adverse relationships, it is likely lawsuits will ensue, which could result in your estate taking many years to settle and leave your loved ones with less than they are due because of legal fees and possible settlement costs.

The crazy thing is, while the consequences of dying intestate can be dire for your loved ones, avoiding these consequences is simple. Preparing a will or trust is not that difficult and doesn't have to be expensive. Ideally, you would enlist a qualified trust and estate attorney, of which there are many in Rochester. However, even a simple document using an on-line source would be better than having nothing in place at all.

It also makes sense to periodically review beneficiary designations on retirement accounts to make sure they are up to date. We have seen several cases of ex-spouses inheriting money they shouldn't have. It only takes a minute to review your retirement account beneficiary designations, and it doesn't cost anything at all. This should be the first course of action to ensure your assets end up where you would like.

Of course, not all advance planning leads to smart decisions. Leona Helmsley died in 2007 and famously left \$12 million to her dog. Still, in order for your wishes to be carried out, regardless of how eccentric, it is best to make preparations now.

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