



## When naming Beneficiaries may not be enough

A client of many years called the other day.

She has been widowed for quite a few years and we were reminiscing about her late husband as I had known him as well.\*

She shared some funny holiday stories, one about how he used to dress up as Santa Claus and the kids would try and tug on his beard to see if it was real. And then there was the classic “Egg Nog” stories regarding Uncle Al which was amusing.

As we shared some laughs something must have clicked as she commented on how well her husband had prepared his estate.

She referred to him as a “really good man” and he wanted to make sure every aspect of his estate ran smoothly when he passed. And it did.

But there was a problem.

And it was her estate she was concerned about.

She had her will, powers of attorney, and medical directives drawn up eleven years ago. But family dynamics have changed, especially amongst her three children.

Her oldest son lives Delaware and is the closest in proximity compared to her two daughters. The middle daughter lives in Colorado while the youngest daughter lives in Florida. Each of her kids has two children of their own and my client can't wait to see her grandchildren when this pandemic is over.

When she originally drew up her documents her son lived in Baltimore while the girls were in different parts of the country pursuing different careers, one a C-level executive at a large software company and the other an elementary school teacher.

At the time she figured her son, who is the oldest, would handle her affairs when the time comes.

Of course life has a way of throwing us a curve ball when you least expect it.

About 6 years ago her son ended up getting divorced. This was a tough time for the family, especially with his finances.

As time moved on my client could sense how she and her son's relationship had started to change. There wasn't a “falling out” but his financial stress and strain affected how he related to finances, which was counter to how my client felt about her own finances.

Importantly, these differences concerned my client to the point where she did not feel confident with him handling her affairs. We talked it through as she was seriously considering removing him and adding one of her daughters.

Of course, there wasn't an easy answer and it became a bit involved.

Knowing how these estate issues can get complicated quickly I offered to arrange a call for us with an estate attorney.

Here at Alpha Pointe Capital we are not lawyers and we don't give legal advice which is why I find it important to have my client's speak with one when these issues arise.

As I stated to my client it was one thing to make sure she had the proper beneficiary designations to now you need to concern yourself with who to give power of attorney to, dispense with the estate, and so on.

She then brought up whether I thought she needed a Trust.

As I just wrote earlier these things can get complicated in a hurry!

My view of estate planning is you are planning for the unexpected. So with the many variables we juggle in our lives it is best to consult with an expert.

Fast-forward to our call with the attorney...

This attorney is like most that I engage with. She was very personable, easy to talk to, and had a knack for getting to the root problem.

The attorney had done a good job of listening to my client and asking questions, questions that helped to walk my client down the path for decision making, revealing different outcomes for each decision.

It turns out there were a couple of other gaps in the overall estate plan that needed to be addressed.

A couple of these gaps were with gifting strategies and leaving assets to a minor. On the surface these seemed quite easy to implement but a few questions later revealed some important considerations.

There was also a problem of titling a particular asset of my client's which was included in the plan.

The Estate attorney also wanted to make sure there would be coordination between the trusts and the retirement plans.

Thankfully we were handling these issues now.

The process can be cathartic for some people and she was quite comfortable with the plan she and her new attorney came up with.

The attorney thanked us for our time and provided next steps for my client to start with the new plan.

In the end, my client was relieved to have had the opportunity plan to create a plan that aligned with how she wants to have her financial affairs managed.

Additionally, her hope for taking care of those gaps in her state now that her children might think of her in the same, positive light as she sees her late husband.

Having gone through this process with many clients before it still amazes me how a client might tell me "I just need to simply update my beneficiary designations" turns into a much more involved ordeal. I have another [On Pointe](#) in the queue to go through emotional life events and financial decision making....

Take care,

Jim

***What gaps are there in your estate plan? [Let's chat!](#)***

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