

## *Financially Speaking*

With Trisha Arndt, CFP®

### Estate Plans Are Not Just for the Rich and Famous

The recent passing of several prominent Americans including Farrah Fawcett and Michael Jackson has once again brought the subject of wills and estate planning into the national media spotlight. Had they made arrangements to direct for the dispersal of their assets and/or the care of any minor children? Or would these matters be left up to the courts to struggle with as in the case of Anna Nicole Smith?

While the unexpected passing of a celebrity brings these issues onto the evening news, it is not just those who garner national attention that need to plan for the unexpected. Tragedy can strike at any time and affects those from all walks of life. Locally I often think about the young family from Madison that recently suffered a horrific auto accident while on vacation that left the three children orphaned. How will those children's lives be decided?

In past columns I've talked about the importance of having adequate life insurance and making sure to update beneficiary designations. Both are extremely important but of at least equal importance is having an estate plan in place.

I think when people hear "estate plan" they automatically think of someone wealthy planning for the orderly dispersal of their significant assets. Certainly that is a part of estate planning but it truly encompasses much more. Estate planning involves everything that will need to be handled upon our passing – funeral arrangements, handling of personal property, passing of financial assets and, perhaps most importantly, guardianship of minor children.

One of the first things I did after my oldest son was born was to put together wills for both Zach and I. Not because we had a substantial fortune to worry about but because we now have something even more valuable, a child. Our wills provide for our wishes as to who will care for him, who will have the responsibility to handle any money he would inherit and at what points in his life he can have access to the money directly. The wills were written generically to cover all children so that when Samuel came along a couple of years ago we didn't have to do them over again.

For those that don't have minor children to worry about it is still important to make sure that your wishes are laid out. Is your niece supposed to get Grandma's diamond ring? Write it down. Do you want to be buried next to your favorite dog? Write it down. Should the house be sold and the money given to charity? Write it down. No one will be able to ask you once you are gone and even telling someone doesn't always cover it. People forget or can't prove what you said so it is always best to have it in writing.

Having a lawyer draft a will – even if it is a pretty simple situation – is always the best course of action, and certainly what I would recommend, but having something in writing is better than nothing. If there is no legal will the courts will be making decisions on behalf of the estate but the wishes of the deceased are typically taken into account – especially if they are documented.

There are a number of resources out there to help people with preparing wills and other important documents like health care proxies (sometimes called living wills) and durable powers of attorney – two more important documents that I’ll have to save for a future column. You can find links to many of them by going through the Wisconsin State Law Library at [www.wilawlibrary.gov](http://www.wilawlibrary.gov). Select “estate” under topics and you will find links to a number of very informative websites.

Considering ones own mortality is understandably difficult for anyone, but taking the time to do a little planning now can assure that your wishes are carried out even after you are gone.

Have a financial question or a topic that you’d like to see a column on? Email me at [Trisha@wealthstrategies.biz](mailto:Trisha@wealthstrategies.biz).

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