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Love Is in the Air: Have You Protected Your Loved Ones?

Valentine's Day is approaching, when many people express just how much their loved ones mean to them by giving gifts and cards. But this year, you could try something different to show your love: think about your estate plan and how you can protect and provide for your loved ones. Preparation can help guide your loved ones through life's challenges, and your love will be your legacy.

The New Year Has Begun

The beginning of a new year is an opportune time to focus on family. A comprehensive estate plan can act as a roadmap, shielding your loved ones from uncertainties and providing peace of mind for both you and your family.

Protecting Relationships

Unmarried Partner

Today, it is common for adults to be in long-term committed relationships but be unmarried. If you have a life partner and are unmarried, it is imperative that you have an estate plan if you want your partner to receive your money or property at your death or if you want them to make financial or medical decisions on your behalf if you are alive but unable to make your own decisions. If you rely on your state's laws, an unmarried partner will likely receive nothing at your death and will have no authority to make decisions on your behalf.

Spouse

Under most states' laws, if a person does not have an estate plan, a judge usually chooses the spouse to make decisions for them if they cannot or to wind up their affairs when they pass away. The spouse is also typically given a large part of the person's money and property if they die without an estate plan. However, a proactive and documented estate plan can help alleviate complications and misunderstandings among other family members. This is especially important in a blended family, where, for example, you

may want your surviving spouse and children from a different relationship to receive your money and property at your death or you want an adult child to make medical decisions for you instead of your spouse.

New Child or Grandchild

Welcoming a new family member is a joyous occasion, but it also comes with added responsibilities. Providing for a child or grandchild at your death in an estate plan involves nominating a guardian for your minor child and creating the terms for the inheritance you would like your child or grandchild to receive. By creating or revising your estate plan after the birth of a child or grandchild, you can help ensure the wellbeing and financial security and support the future aspirations of your young family members.

In-Laws

In-law relations such as a son-in-law, daughter-in-law, or parent-in-law may not typically be included in an estate plan, but you may want to leave an in-law relation something upon your passing. Alternatively, you may want your in-law to receive another family member's inheritance if they predecease you or pass away before they have received their entire inheritance. By default, most state laws will not provide for an in-law if you pass away without an estate plan, so if this is your desire, you need to proactively plan for it. You should also reevaluate what you leave newly married family members in your will or trust, focusing on protecting their inheritance from their new spouse in the event of a divorce.

Protecting Your Family During Your Job Changes

Life is dynamic and so are your financial circumstances. It is essential that you update accounts and beneficiary designations with each job change or significant change in income. Failing to do so may have unintended consequences on life insurance policies, retirement accounts, flexible spending and health savings accounts, and more. Talk to your human resources benefits advisor to take an inventory of investments tied to your former employer and any new employer. Even if you have been at the same company for years, you should periodically check your beneficiary designations to make sure everything is up-to-date. Estate planning is not a one-and-done task. It should evolve with changing circumstances. Regular reviews ensure that your estate plan aligns with changes in your relationships, financial situation, and life events. An estate plan is made up of documents that require accurate information to protect and

provide for those you hold dear. In February, the month of love, take the time to create or revisit your estate plan. Through thoughtful planning, you can continue to express love and care for your family, even after you are gone. If you have any questions or would like to review your existing estate plan, give us a call.