

Even if the terms of your estate plan meet your current goals, your estate plan could be defeated if your assets are not titled in accordance with your particular estate plan.

Here are several examples of why this is so important:

1. Your estate plan calls for the division and distribution of your assets to your children in equal shares. However, you have set up your bank accounts with one child, you named another child as the beneficiary of an insurance policy and you named another child as the beneficiary of your IRA. The Result: Your plan may be defeated. Rather than your assets being distributed in equal shares to your children, the child named on your bank accounts will inherit those accounts, the child named as beneficiary of the insurance policy will receive the insurance proceeds, and the child named as beneficiary of your IRA will inherit that asset.

2. Your estate plan calls for the creation of a Unified Credit Trust upon your death for the benefit of your surviving spouse in order to take full advantage of the federal estate tax credit. However, you own all of your assets jointly with your spouse. The Result: Your plan is defeated. At your death, no assets will pass through your estate. This results in the loss of your entire federal estate tax exemption. Your children could face needless estate taxes at the death of your spouse and your spouse will not receive crucial creditor protection that the Unified Credit Trust also provides.

3. Your estate plan created a revocable living trust to manage your assets during your lifetime and to distribute your assets upon your death to its named beneficiaries free of the delays and expenses associated with a probate or administration. However, after the trust was executed, you failed to transfer all of your assets into the trust. The Result: Your plan is defeated. The assets not re-titled in the name of your revocable trust during your lifetime will either pass pursuant to your will through the probate process, or if you have no will, to your heirs at law in accordance with the intestate laws of succession of your state.

4. Your estate plan creates a trust for a special needs child. However, the insurance policy that was to be used to fund the trust still names the child as beneficiary. The Result: Your plan is defeated. Since the insurance proceeds would pass directly to the child, the special needs trust for that child will not be properly funded and the protections that you sought for that child will be lost.

These are just some common examples of a good estate plan being thwarted by the inappropriate titling of your assets. Not only does estate plan have to be carefully designed and executed, but consideration must be given to the proper ownership of the assets at the basis of your estate plan to insure the plan will fulfill its stated goals. Please don't wait until it is too late to double check how your assets are titled. Call or e-mail the [Law Offices of Steven M. Adler, PLLC](#) today for more information or to schedule your free consultation