TEN BIGGEST MISTAKES IN ESTATE PLANNING

1. **Not having an estate plan.** This can result in outright gifts to children not prepared to handle them. It can result in assets going to a spouse of a second marriage rather than your children. It could result in court-appointed person in charge of your estate.

2. **Not including life insurance, jointly owned assets or payable-on-death assets in your estate plan.** Only those assets with no designated beneficiary will follow the plan outlined in your Will or Trust. Account designations and estate planning documents need to be coordinated.

3. **Not updating your estate planning documents when there are major life or business changes.** This includes divorce, death or disability of beneficiary, sale of business or change in ownership.

4. **Not planning for disability.** An unexpected accident or stroke can result in the appointment of a Guardian over your affairs. Your assets could all be expended for your long-term care. A properly drafted Trust, Power-of-Attorney, and Healthcare Power of Attorney can help with this problem.

5. **Putting your child's name on the deed.** When you put your child's name on the deed to your home, you lose control over what is a major asset. You will not be able to sell the house and use the funds to downsize or move south. You will lose the Homestead exemption on your taxes. You will no longer be able to purchase homeowner's insurance. Your child's personal finances, accidents, divorce, will affect your home.

6. **Preparing you own legal documents.** Home-made estate documents may not be admissible to probate and often have major problems that require litigation which can be expensive and hold up the administration of your estate.

7. **Paying for a Trust but not transferring assets into it.** The Trust document is only effective for the assets that are transferred into it.

8. **Not preparing for continuation of your business.** Review the documents that established your business and see what they say about death, disability, or sale of the business.

9. **Trusting people to "do the right thing".** If you designate someone as beneficiary of your life insurance or joint owner of an account, it becomes their property at your death. They may choose to ignore your instruction to share the money with children of your first marriage, their siblings or to use it to pay for your funeral expenses.

10. **Not using the benefits that can be provided by a Trust.** A Trust can be used to insure an inheritance to your family regardless of your health if undertaken soon enough. It can also be used to be sure that large sums are not left in the hands of children not ready to handle it.

BONUS. **Not pre-planning your funeral.** Discuss your arrangements with your family. You can pre-plan without pre-paying. Burial or cremation? What kind of service? How much do you want them to spend? Do you have a cemetery lot? Monument?