

How To Avoid Probate



Several clients have asked questions about probate recently. Let's review the probate process.

BENEFICIARY DESIGNATIONS ARE THE BEST WAY TO AVOID PROBATE

Most of your assets can be transferred by beneficiary designation. These include:

1. Retirement Accounts
2. Other Investment Accounts
3. Real Estate
4. Vehicles
5. Bank Accounts
6. Life Insurance

**You will want to have beneficiary designations
(Primary and Contingent)
on ALL of the above accounts.**

WHAT IS PROBATE?

Probate is the process where the probate court oversees the distribution of probate assets from the decedent (one who dies) to those who inherit the assets. A few rules to remember:

1. Only assets with no beneficiary designation go through probate (see above). Make sure you have beneficiary designations, if possible.

2. If you have a will, the probate assets will pass according to the will.

It is very important to have a will to cover the distribution of all non-beneficiary assets.

3. If you don't have a will, your probate assets will pass according to state law.

PROBATE CAN BE EXPENSIVE

If the dollar value of assets passing through probate is large, the cost of probate can be expensive. Usually, an attorney will need to be hired. In addition, court fees will need to be paid. So it is important to avoid this process, if possible.

DO YOU HAVE PROBATE ASSETS?

Review ALL of your assets to see if any would be subject to probate.

Common assets without beneficiary designation include:

- Real estate (with no beneficiary)
- Vehicles (with no beneficiary)
- Bank accounts (with no beneficiary)
- Stock certificates not in brokerage accounts
- Art
- Business interests
- Expensive jewelry
- Savings bonds
- Coins

DO I NEED A TRUST TO AVOID PROBATE?

Most assets can be transferred by beneficiary designation. Assets placed in a trust will also avoid probate.

However, using a trust just to avoid probate is seldom required. A trust is usually an expensive way to accomplish probate avoidance.

Trusts can be a useful estate planning tool. But they are rarely required just for probate avoidance.

WE CAN HELP

If you have significant probate assets, we may be able to help you. There are various things you may be able to do to turn probate assets into non-probate assets.

ACTION STEPS

- 1.) Prepare a list of all your assets. Your heirs will need this list in the event of your death.
- 2.) From your list, make sure you have beneficiary designations on all assets possible. Also, this is a good time to review all of the beneficiary designations you already have in place to make sure they are current.
- 3.) If your non-beneficiary accounts are of substantial value, work with us and your attorney to develop a probate plan.