Avoiding Unintended Disinheritance

By Gregory C. Hamilton and James T. Blazek

Gregory Hamilton and James Blazek discuss challenges in estate planning for families in second or subsequent marriages.

Introduction

This article addresses planning concerns for all families but in particular, families involving second marriages and children from prior marriages. This planning is necessarily more complex due to many different considerations, not the least of which is family relationships. The planner's role is always one of sensitivity and delicacy. In planning for families in second marriages, it is very important to listen carefully and ask the right questions to ensure that the planning that is undertaken will meet the client's goals for his family. The first step in any planning, of course, is to determine who the client is and advise all other parties, in writing, to seek independent counsel. If you will be undertaking the planning for the husband and wife, it is crucial that you provide written disclosure of the dual representation and that your clients indicate in writing that they completely understand the issues in this representation and that they waive the conflict of interest in your dual representation. This is a very serious consideration, especially when the planning involves second marriages, when there are children of either or both of the spouses from a prior marriage.

We must remind ourselves at the beginning of this planning that situations involving a second marriage for either or both spouses are always complex. We must avoid any inclination to begin the planning in a routine way. We must be sensitive to all of the communication that will take place, including verbal and nonverbal messages. We must exercise great caution to be sure that the parties understand and agree with all phases of the planning, including the decision to create the plan. If the couple is not in agreement at the outset, you will be involved in a costly and frustrating situation that may not be the ideal case on which to spend your time. Once you have accepted the planning client, it is incumbent upon you to establish an atmosphere of confidence and trust between you and the client. This planning will involve the most confidential information and unless your client understands that he can trust you, you will not learn all of the information you need to create an effective estate plan that meets your client's goals. Once you have set the proper tone, ask the clients what they hope to achieve. Once you have helped them articulate that, some of the other issues can be discussed. Remember to listen to the client's answers and not assume you know what is best for the family. Be sure to write down their goals; you will refer to them often and they are likely to change over the course of your discussions with them.

Every marriage has issues. Second marriages, sometimes involving children from the former marriages and of course, the former spouses, add greatly to the issues that must be addressed through the planning. There is no one right answer. Every client is in need of his own specifically drafted solution. Every client will tell you that they have a simple estate but we know this is seldom true and if a second marriage is involved the plan is automatically more complex. Second marriages often include what are referred to as "blended families." A blended family is any family in which one or both spouses have children who are not from that marriage. The children may or

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may not live with the clients. The children may or may not get along. The children may resent the remarriage of their parent.

Unique Challenges

Estate planning for blended families presents a unique set of challenges. The advisor must determine how the clients view the ownership of their property. Is the property separately owned? Is there any inherited property? Is there jointly held property or any combination of the above? As with all of our clients, some will be more organized than others. For those who are not so organized you will offer them a great service simply in helping them to get organized and address some of the important issues they are facing. Some of these conversations have been on the couples' "to do" list for a while so providing them with a framework for their conversation about their planning will bring a great relief to the family and open the difficult discussions ahead. A thorny discussion may arise concerning the issue of who is responsible for what costs. Any current expenditures in the new marriage reduce the estate of the responsible party. This is really the underlying issue in blended family estate planning, whether it is openly discussed or not.

Expenses sometimes increase in later life and it is possible that the couple will face tremendous costs including health care costs, long-term care, expenses for children of the current marriage or children from the prior marriage. How will the estate be divided? Who will pay the estate taxes? Who are the beneficiaries of the estate? How will the current spouse be provided for while still leaving a bequest to all the children? The people before you may have never given much thought to these questions, so it is important to present these issues and make sure they have the time to consider carefully how they would like to plan for these contingencies.

It is essential that thorough and frank discussions are held concerning the clients' goals, aspirations and desires. Family dynamics should be explored. There always exists the potential of underlying animosity between the children and the stepparent. These feelings should be addressed during the estate planning process or they may undermine the estate plan. If there is any hint of ill will, you may want to design a plan that allows all the parties to go their separate ways upon death. For example, if there is friction between a stepparent and child, consider an irrevocable life insurance trust for the children and do not include the children in the revocable living trust that includes the stepparent. The discussions should be first with the married couple, then with all of the children. This may not eliminate friction but it will help create smoother sailing when the need arises for a succession of responsibilities and wealth. This is only a question of when, not if, this step will be taken. The more that is done in advance to identify and anticipate any potential problems, the more likely the estate plan will perform as the planners envisioned.

Family Meetings

If you do not feel comfortable conducting this type of meeting, there are other professionals who can assist you. A family counselor, marriage counselor, clergy member or psychologist might be qualified to help you address family issues that will arise during the planning and to help facilitate the family meeting. Interview that person before you engage them for this process to ensure that he or she is qualified to facilitate the meeting. There are different ways to conduct the family meetings. The flow of the meeting will depend on the family dynamics and the goals that have been established. Ground rules should be set at the beginning of the meeting. These rules might include no interrupting, no name calling, being open and honest, and including everyone in the discussion. Some families prefer to open with goals of the meeting and then break into small groups; some families like team-building exercises; and some families just prefer to lay it all on the table. Whatever the course that the meeting takes, be sure not to leave unresolved issues, which will eventually undermine your estate planning efforts.

Addressing all the issues involved in this planning will necessarily involve asking difficult questions. It is crucial that the issues and consequences of the planning are completely understood and appreciated by the family. The advisor must stay in control of the meeting to ensure the discussion is completed and the issues are resolved. The family must trust the advisor in order to answer these questions honestly and to devise a plan that will work for their particular situation. Such a relationship may develop more slowly, over time and several meetings may be required.

Most families prefer that an agenda be distributed

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before the meeting. Ask the clients for input regarding the agenda. Once you have met with your client, you may set another meeting to involve the family members and this should involve the family's input in setting the agenda.

During their lifetimes, the combining of separate families can be challenging, even under the best circumstances. This includes combining finances, philosophies for raising children, furniture, personal property, investments, vacation properties and more. Different tastes result in complex negotiations. These negotiations hopefully will be completed before your client comes to meet with you to do their estate planning. If these issues are not resolved, and if you are engaging in the representation of both clients, you will have to lead your clients through these decisions regarding how the property is to be divided. This can be very delicate. It is certainly safer if each estate planning client is represented by an attorney but if you represent them both, you will have to act carefully.

As with the family meetings, if you are not comfortable discussing all of the family issues that will arise in these discussions, refer your clients to other professionals that are qualified to help. Once these issues are resolved, you will bring your expertise into the drafting and explanation of the documents. You can help your clients sort through some of these issues by asking very direct questions and insisting on complete answers that are not evasive. This is true with any couple and is particularly complicated with a family that includes former spouses, step children and in-laws. This can become even more of a challenge when one of the spouses is not a U.S. citizen. Relationships between children and stepparents often grow more strained when the biological parent passes away. If the relationship was not good while the biological parent was alive, then the results can be disastrous. Some of these problems can be traced to mistrust and lack of honest communication.

While creating the estate plan, some of the issues that need to be addressed include the following: Who should act as the fiduciary of the estate or trust? Should the estate plan employ the use of multiple trusts? Who should the beneficiaries be and when should they receive their inheritance? Should the estate plan include irrevocable trusts for asset protection and estate tax saving purposes? And many other issues. There are usually family dynamics issues that the client will not voluntarily disclose. You must be artful in your due diligence to uncover these dynamics. You have to be able to ask direct questions and not accept partial answers or answers that leave room for interpretation. In the beginning it may be helpful to list your objectives for the meeting and questions that appear to allow you to accomplish those objectives. If you do write out the questions, you should concentrate on listening very carefully to the response. If you are reading the questions, sometimes you may forget to listen to what is being said and what is being left unsaid. The dynamics will dictate how the overall plan will be put together and how successful it will be in accomplishing the goals of the grantor.

One of the hurdles can be an attitude of the couple that what is mine is mine and what is yours is yours. This is true in the family assets, the family heirlooms and the emotional items that bring back special memories of a biological parent. These issues can become more complex and intertwined the longer the second marriage is in existence and should be addressed as early as possible. Personal instructions and directions to the successor trustee must be included in the planning documents so that the grantor's goals are upheld going forward.

Clients will consider you to be a problem solver. To address these problems, you must build a relationship with your clients so they can trust you with sensitive information. They must be able to trust you with their true goals. They might not be able to articulate these goals so you must be able to assist them in identifying their goals. It becomes imperative that you spend a considerable amount of time getting to know your clients and their families. What is challenging is that this is often a dynamic area. What is a great solution to a potential trap today could lead to family disharmony tomorrow. Be cautious if the clients are entertaining the thought of employing irrevocable trusts. They may be considering irrevocable trusts for asset protection purposes, estate tax savings or other reasons. This kind of planning can be risky at all times, but there is more exposure to mistake in a second marriage situation. Clients have a talent for changing their minds after an irrevocable trust is created due to a change in philosophy, family situation or any number of other reasons.

How is the relationship between the spouses, the children, the parents and the children/stepchildren? It is not unusual for these relationships to change at the death of the biological parent, especially if there

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has been no comprehensive planning done before that death. Lack of planning creates uncertainty and mistrust between families and is counterproductive to building strong, supportive relationships. It may help to identify a trusted family member that can step in to be a mediator. Would a family retreat be of any assistance? If so, this should take place at the earliest opportunity. The more the issues are put on the table before the death or incapacity of one of the parents, the smoother the sailing will be after a change in the family structure occurs. Parents are often reluctant to have a frank discussion for fear of rocking the emotional boat of the family relations. If the parents are not willing to be the leader of the meeting, possibly you can help by agreeing to lead the discussion and control the meeting. As mentioned previously, if you do not feel comfortable in this role, consider a professional who is trained in conflict resolution, mediation, counseling or other related disciplines. Most professional advisors do not have this training

Choice of Fiduciary

This is one of the most important decisions in creating the estate plan. Who will be the health care advocate? The health care advocate may be called upon to make cessation of life decisions. It can be a very volatile role. It is not certain that all interested parties will have the same thoughts about health care decisions. Use of a living will, which expresses the wishes of the grantor regarding health care decisions, can serve as guidance to the family and to the health care decision maker in the event the grantor becomes incapacitated. If these documents are not complete, the parties may end up in court, creating time delays, additional expenses and emotional disputes.

The fiduciary will be facing serious decisions regarding the health care of the person whose power of attorney he holds. In the event of incapacity, the person acting as Power of Attorney will have to decide the course of treatment for the incapacitated person, where they will live, who will care for them, all extremely important and difficult decisions.

The person who is named as the Power of Attorney for property will make decisions regarding the property during the grantor's lifetime, currently or in the event of incapacity, depending upon how the power is written. Ultimately the fiduciary named in the estate planning documents, either the will or trust, will be responsible to settle the estate. The fiduciary will be responsible for record keeping and investment decisions. No matter who is chosen as the fiduciary and accepts that task, that person should be someone who knows how to keep good records. The fiduciary should be a person that is able to work with all the different factions and emotions that exist in a blended family. If the fiduciary is not the surviving spouse, the estate plan should include an option for the surviving spouse or the biological children to remove the fiduciary if compatibility becomes an issue after death. Neither the surviving spouse nor the biological children should be able to appoint the successor Trustee since that can lead to disastrous results and an entirely different estate plan than one initially drafted. The planning documents should name successor fiduciaries that will step in if the original fiduciary cannot serve, chooses not to serve or is removed. With successor fiduciaries named, conflict is avoided. The more the issues can be anticipated and addressed prior to death, the greater the likelihood the estate plan will meet the goals, aspirations and desires of the grantors.

Who should be appointed as the fiduciary for the parent who no longer can act? Should it be the spouse or should it be one of the biological children or should it be an independent third party? Much of this decision will be determined by the family dynamics. If the fiduciary is a family member, then the conflicting interests of the children, stepchildren and spouse are considered. The children may perceive the stepparent as spending money frivolously and depleting their inheritance. If a child from a prior marriage is the fiduciary, they may not be willing to spend the funds necessary to support the surviving stepparent in the usual and customary manner. This is only natural, and most families that consist of step children and parents confront this issue.

The contrary is true also. If the nonbiological parent has to support the deceased spouse's child or children, will it impact their lifestyle or ability to maintain their daily activities? These are not easy decisions and a significant amount of time is required to arrive at a suitable determination. A result could be a co-trustee situation where the nonbiological parent and child share successor trustee duties. If this is the path chosen, will it be permissible for one of the successor trustees to act without the consent of the other? What will the consequences be if a decision

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is not deemed to be proper? If the co-trustee situation is not feasible, maybe the best route is to have a totally independent trustee such as an attorney, CPA, or a professional trust department. There are issues that may have to be resolved by a professional trust department, if the funds are available for this service. Some of the issues that revolve around powers of attorney include the following:

- Should a general durable power of attorney be used?
- Should the power of attorney be a limited power?
- Who should be the agent?
- Who should be the successor agent?
- Should the powers of attorney include both sides of the families?
- Are there communication issues between the families that must be addressed?
- Are there family members who live out of town or out of state?

Trusts

A trust can be an excellent vehicle for blended family planning. In the case of the trust, the fiduciary role is held by the trustee. The trustee has a fiduciary duty to act in accordance with the grantors directions and for the benefit of the trust beneficiaries. If the grantor has established a trust but has failed to fund it, this can create controversy. When funding the trust, be sure to verify the change of beneficiaries on life insurance policies, especially those from an employer. This applies to any asset that has a beneficiary designation and will pass outside of probate. This also helps to prevent unintended disinheritances. If there is any joint ownership of property or property that will pass by beneficiary designation, the planner must address these assets comprehensively, as part of the overall estate plan. The earlier these assets are reviewed, the better the outcome will be. The planner must also check on and update any powers of appointment that were given by the grantor at an earlier time.

Dividing the Personal Property

Attention must be paid to the personal property of the grantor. Emotions generally become attached to the physical belongings of the parent and the plan should not underestimate the importance of these items. Many families have suffered the consequences of failing to address these issues in a sensitive and thoughtful manner. Who should receive this property and when? Should the children receive the personal property of the deceased biological parent or should it be left to the surviving spouse of the second marriage?

If the grantor leaves the house to the surviving spouse, how will the grantor ensure that the children will receive the house after the surviving spouse's death? What if you leave a life estate to the surviving spouse and the house is damaged? Who will pay for the damage? How do you ensure that the family heirlooms stay in the family? What will you do if some of the family wants to keep a family heirloom and the family member who inherited the heirloom does not want to keep it? This gets a little more complicated if the family members are not on good speaking terms or are acting in revenge for some past act. There are many anecdotal examples of what will happen to a family that is in conflict over property belonging to a deceased loved one. It is enough to say that careful planning is required and the sooner these matters are addressed, the better the result will be for the family.

If there is a family heirloom that is left to a particular beneficiary, the document should indicate that the heirloom is to stay within the family. Further, if the recipient of the heirloom does not chose to accept this inheritance, the documents should indicate where the heirloom should be deposited for safekeeping. This could be with a nonprofit organization, perhaps a local historical society, or another family member. Have a discussion about the timing of the disposition of the items. Be sure to document the wishes in the estate plan. Will the items be delivered at the death of the first spouse or the second? If it is at the death of the second spouse, what happens if there is unusual wear and tear on the item? What happens if the item gets lost or broken or damaged? What happens if the surviving spouse remarries and gives it to the new spouse who survives and gives it to their children or other people or charities? Will the surviving spouse require anything to live comfortably? All of these issues must be discussed and various planning scenarios explored.

What is to happen to the items if one or both parents become disabled? When will the property leave the house if a grandparent is still living there or a dependent child or a special needs person? What if the disability is of such a nature that the parent has been permanently relocated to a nursing facility with no hope of returning home? The same

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issues arise if the item is damaged or lost. This is a more likely scenario with an elderly parent or a special needs person remaining in the residence.

If the surviving spouse is to retain possession of the item, what happens if it is especially meaningful to one or more children and not the surviving spouse? This generally does not lead to a satisfactory result. It often does not take long for the resentment between the stepparent and children, which is already present, to boil over due to a seemingly relatively unimportant item.

Some of these situations can be avoided with a thorough discussion of the goals, aspirations and desires of the biological parent, the stepparent, the biological children, the stepchildren, the half children. Examples of different scenarios must be carefully and articulately discussed and the desired results documented. Most of the situations will not arise, but it is better to have discussed them, listened to all viewpoints on the matter and devised a plan to address the family concerns. The more of these uncomfortable discussions that occur, while all the parties are present and well, the fewer uncomfortable discussions will take place when some parties are missing or in compromised health. This is where assumptions can and will be drawn and that usually leads to deteriorating family relations and ultimately leads to a breakdown in the family structure. Often this breakdown is irreparable and this is a tragic result of the failure to plan. If these uncomfortable discussions can be held in a timely way, other situations may also become clearer and less antagonistic. This will all result in a more protective family atmosphere, where everyone feels included and everyone is willing to compromise.

How to Address the Decedent's Bills

Who is responsible for making sure that the bills are paid? How are assets of the biological parent to be divided? What happens if there are children from prior marriages by both parents and children from this marriage? What does it mean, if the estate plan says that all the children are to be treated equally? If these issues are not addressed or at least discussed, there is a strong likelihood that resentment will grow between the children. What if there are insufficient funds to pay for the education that the earlier children received? Unplanned for events such as lawsuits, health care or long term stays in nursing homes can have a detrimental effect on the family finances.

How Are the Assets Titled?

Should the assets be titled in one name for the protection from the spouse or children? Should the assets be held in trust? Should the assets be in joint tenancy to avoid probate? If the assets are held in one name, probate is guaranteed. If they are held jointly, with the spouse, then the children may be unintentionally disinherited. This occurs if the surviving spouse remarries and retitles the assets jointly with her new spouse. If the surviving spouse passes away before her new husband, the children are completely disinherited, at least as far as an interest in that jointly held property. Since jointly held property passes at the death of the first joint tenant, to the surviving tenant, the children will receive nothing from this property. The same result can occur if the assets are made joint with the nonbiological parent and the biological parent dies first. Even if the nonbiological parent does not remarry, but makes the assets joint with their children, the biological children of the deceased spouse receive no inheritance. This result is often overlooked. It must be remembered that the title of the assets will in most cases trump what the will or trust explicitly state, and in many cases produce entirely different consequences than were anticipated by the grantor.

What happens if the biological parent titles their assets jointly with their children? When the biological parent passes away, how does the nonbiological parent live? A prenuptial agreement that is properly drafted and executed should be in place to avoid a potentially unpleasant outcome. What happens if the joint tenant is sued and their insurance does not cover the judgment? These assets can be exposed to the joint title holders creditors and this is not a desired outcome.

A lifetime qualified terminable interest property trust (QTIP) may be a viable solution. As we all know, in first marriages, the primary motive is often to delay payment of any federal estate tax. This can be done with properly designed marital deduction trusts. When the surviving spouse dies the remainder of the estate is passed to the named beneficiaries. However, as we have been discussing, in second or third or more marriages, this may not be the best plan to follow. What happens if through lack of proper funding a large retirement plan or insurance benefit is paid to the surviving spouse and the marital deduction is not allowed? The children may have to pay the estate taxes on money that went to the nonbiological parent, if any tax is due. Is this a result that the deceased spouse would have wanted? Generally not. What if the surviving spouse is restricted to only the income in order

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to protect the principal for the children? Do you think that the possibility for resentment exists?

Marital deduction planning is a crucial tax planning consideration. A key vehicle in this planning is the qualified terminal interest property provision (QTIP). As we are aware, generally a terminal interest does not qualify for the marital deduction. However, Congress has created a special exception to the terminable interest rule that allows one spouse to leave their assets to the other spouse. This is the qualified terminable interest property trust. The assets can be left to provide for the surviving spouse and ultimately pass to whomever the grantor wishes at the death of the surviving spouse. The grantor can control the ultimate use and enjoyment of the assets by the surviving spouse and ensure the assets pass to the grantor's beneficiaries pursuant to the terms and conditions of the grantor. In order for this to work successfully, the grantor's successor trustee must elect the QTIP treatment. It is not automatic.

The surviving spouse must have the right to all the income. This income must be paid at least annually for their lifetime. There cannot be any restrictions on this. This QTIP can be created either during lifetime or at death. This will allow the spouse to have access to the income and possibly the principal to ensure continuity of lifestyle. The access to the principal can be predetermined by the grantor. In addition, to qualify as a QTIP trust, no person may have a power to appoint any part of the property to any person other than the surviving spouse (Code Sec. 2056(B)(7)). The biological parent can set the ground rules to fulfill his estate planning goals.

An important decision in this planning is who to name as the successor trustee, after the death of the surviving spouse. Essentially, the QTIP trust creates a lifetime use of the estate for the surviving spouse with the remainder to the grantor's children (if the children are named as the remainder beneficiaries). When using a QTIP trust one has to be aware of any potential estate taxes on the second death, either federal or state. Who is going to pay the taxes if the property in the QTIP trust is taxed in the second estate? Are there sufficient assets to cover the estate taxes? Caution must be exercised in drafting the tax clause in the documents to ensure that someone is not bearing the taxes on an asset that has been granted to a different beneficiary.

Other Issues to Address

It is interesting to note that family dynamics usually change dramatically after the death of the biological parent. Decisions made by that parent during life are usually respected by the children but at the death of that parent, things may change. In complex blended families, a family meeting is highly recommended, after the initial discussion with the planning clients. This meeting provides an opportunity for all the family members to express their concerns and to understand their parents' wishes and how the plan is structured. With everyone on the same page and all the concerns expressed, the chances of later family conflict are diminished. What are the lines of communication during the transition phase? How will all the family members receive communication about the estate? The best way to avoid confrontations is with open, frank and frequent communication.

What if your state allows for election against the will and the parent wishes to disinherit a child? How will the objective be accomplished? A fully funded trust with disclosure may smooth this transition.

If there is no prenuptial or postnuptial agreement, how will the assets acquired before, during and after the marriage be addressed? It is possible to create several trusts, for the benefit of children by each spouse's prior marriage and a separate trust for children from the current marriage. This scheme could eliminate the tension and resentment that arises between a stepparent and children from a prior marriage.

Do not take your client's word for how their assets are titled. What will happen if one of the desired goals is to support the surviving spouse? After a review of the assets, it shows that most assets are held jointly with the children from a prior marriage? Do you think that the children will support the surviving stepparent? In reality, it does occur, just not very often. Assets held jointly with children also raise the issue of potential exposure of the parent's assets to the creditors of the children. How will one or both of the parents feel if they lose a significant amount of their assets to satisfy a creditor of one of the children?

Some discussion must occur on the issue of having a nonfamily member successor trustee. This can help eliminate the family dynamics interfering with the post death administration of the estate and help preserve the family harmony. Adequate life insurance, fully funded trusts and properly titled assets also will help in this time of transition.

So much of the success of post succession transfer of fiduciary duties and assets will depend on the amount of time invested in the plan before death. This planning, along with a commitment to open and honest

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communication, will go a very long way in preserving family harmony and happiness. Once the planning has been accomplished, it is essential to give explicit instructions to the successor trustee and also to have a well described avenue for dispute resolution.

Retirement assets require special consideration in naming beneficiaries and reviewing the most tax efficient plan for these assets.

Life insurance poses similar considerations and requires professional advice in planning.

Some of the issues that must be considered and communicated about the life insurance contracts include the beneficiaries, whether the proceeds will be distributed outright or in trust, what is the purpose of the insurance, who is responsible for the estate taxes if the insurance proceeds are part of the estate, and many other issues. If a QTIP trust is used to benefit the surviving spouse, should the life insurance proceeds go to the children? Is the QTIP trust the beneficiary of the life insurance proceeds? Should the insurance policy be purchased by an irrevocable life insurance trust in order to escape estate taxation in the grantor's estate? These and similar issues must be discussed and documented.

What assets of the marriage will be at stake if the nonbiological parent becomes incapacitated? How will this be handled and accepted by the children? What happens if both spouses become incapacitated? Can all or a majority of the assets that were going to go to the natural children now be used for nursing home costs, medical, or other related costs? These are sensitive issues that must be addressed in creating a plan to meet the client's goals.

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Summary

The way to the smoothest administration is through open and frank discussions with all the interested parties. The discussions may generate uncomfortable feelings. The biological parent must be able to overcome this discomfort in order to explain his motivations in the planning and his desired outcome from the plan. In spite of what the children want it is the parent's goals, objectives, desires and aspirations that should take precedence. After the goals, aspirations and desires are documented, other avenues can be explored. These might include the following:

- Who will the fiduciary be?
- How and when will the assets be divided?
- What bills are to be paid and from whose assets?
- When are those bills to be paid?
- How are the assets titled?
- Who is going to make medical decisions?
- Are there any intended or unintended disinherited children?
- What constitutes equal treatment of children
- What advanced estate planning techniques are viable?
  - Prenuptial agreements
  - Postnuptial agreements
  - Last will and testaments
  - Revocable living trusts
  - Irrevocable trusts
  - Qualified terminable interest trusts
  - Lifetime trusts for the children
  - Sprinkle trusts for the children
  - Family limited partnerships or family limited liability companies
  - Life estates
  - Outright gifts

Be sure to have a discussion with your clients regarding the impact of the reception of wealth and responsibilities on the recipient and the family dynamics. The more this is explored in pretransition family discussions, the better the chances are of your clients having an estate plan that will meet their goals, aspirations and desires.

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