

Avoiding inheritance conflicts



Many a family has broken up over the distribution of a loved one's estate. Here are some ways to save your family from the pain of conflicts over your estate and pass your wealth to them as smoothly, tax efficiently, and quickly as possible.

✓ Make lifetime gifts

Making gifts during your lifetime can help ensure your property goes to the person or charitable organization you want. It also gives you an opportunity to see the individual recipients enjoying that cash or property and to mentor them in managing it. If you make a significant gift to charity, you could use life insurance benefits to replace the value of that donation in your estate. This might avoid hard feelings among family members, as well as alleviate concerns you have about leaving sufficient assets to them.

✓ Equalize inheritances

Life insurance can also be used to equalize inheritances and avoid family conflict in other ways. Let's say you plan to leave an asset that makes up a large portion of your estate, such as your home or business, to one of your two children. To even things out, simply name your other child as the primary beneficiary of a life insurance policy equal to the value of the asset passing to the first child.

Remember that life insurance proceeds are generally payable relatively quickly and income tax free, which can provide much needed cash to settle the estate's bills.

✓ Address personal property separately

Personal property can be a source of family conflict. Talk with your estate planning attorney about how you can leave instructions and make specific bequests in your will as to who should inherit your cherished personal items.

✓ Schedule regular reviews

Because situations change, you'll want to meet with your financial professional and estate planning attorney periodically to make sure your estate provisions and life insurance coverage are still appropriate for pursuing your goals.



If you have questions about your workplace retirement plan, please contact your Human Resources department or your retirement plan provider's customer service center.