

# e-Newsletter

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## Naming Your Beneficiaries: What If?

Estate planning documents, such as wills and trusts, give you the opportunity to name your beneficiaries, that is, who will receive your property after you pass. You may choose to leave your property to your surviving spouse, to your children, to make gifts to charities, or a mix of these options. After you decide what you want to do, you meet with an estate planning attorney and are asked the "What If" question: What If your child or your intended beneficiary predeceases you?

When you put your plans in writing it is important to ask "What If" questions. Some people are uncomfortable addressing estate planning issues, even though they accept being mortal. Similarly, after signing a will or trust, there might a reluctance to remove these documents from a safe deposit box and review them on regular basis. Family situations do change over time and the original documents may no longer reflect your wishes.

This is where the "What If" questions come in handy. In your documents, you can say what you wish to happen if you provided a gift to a child and your child predeceased you. You could allow that gift to go to the child's spouse, or to your grandchildren. Or, you may prefer to let that child's gift lapse, meaning not be given, and instead have that property go to your other surviving children.

You may choose to leave gifts to your children, per stirpes. This means that if a child predeceased you, then that child's children—



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your grandchildren—would receive his or her share. Under Florida law, if you do not specify what will happen if a descendant predeceases you, then that gift will automatically pass, per stirpes, to that child's children. However, if the beneficiary is not a descendant, for example, if he is a step child, then the gift would lapse and be distributed to the other beneficiaries, unless you specified otherwise. With blended families, this may not be the intended outcome.

A sample of other "What If" questions are: (1) if your grandchildren will be receiving gifts, would you like to hold the gifts in trust until they reach a certain age? (2) who would you like to manage any gifts held in further trust, and under what terms? (3) who are the back ups in the event the person you wish to serve as your personal representative is unable to serve? (4) would you still wish to make a gift to an in-law if the in-law was no longer married to your relative? (5) how would you like a gift to charity be distributed if that particular charity were no longer in existence?

There are many issues to consider when creating your estate planning documents. A thorough discussion of possible outcomes will help them to be addressed in your documents. Even so, it is important to review your documents every few years, and especially when there has been a change in your circumstances to see whether your documents still reflect your wishes.

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