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FORUM 400™



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About our firm:
Tempewick Wealth Management is a wealth and insurance firm with professionals specializing in estate and investment planning, business succession and wealth transfer.

TEMPERWICK

WEALTH MANAGEMENT



Avoiding Probate

Probate is simply the Latin word for prove, which means that the estate probate process is the process by which your will is brought before a court to prove that it is a valid will. The courts charged with this responsibility are generally known as probate courts, which may actually supervise the administration or settlement of your estate.

Supervision of the estate settlement process by the probate court can result in additional expense, unwanted publicity and delays of a year or more before heirs receive their inheritance. The publicity, delays and cost of probate motivate many people to explore ways in which to avoid or minimize the impact of probating a will, including:

1. State Statute

If specific requirements are met, many states have made provision for certain estates to be administered without the supervision of the probate court, resulting in less cost and a speedier distribution to heirs.

2. Form of Property Ownership

The joint tenancy form of holding title to property allows ownership to pass automatically to the surviving joint tenant, who is normally the surviving spouse.

3. Transfer on Death

Many states have enacted Transfer on Death statutes that allow a person to name a successor owner at death on the property title certificate for certain types of property, including real estate, savings accounts and securities.

4. Life Insurance

Unless payable to the estate, life insurance proceeds are rarely subject to the probate process.

5. Lifetime Giving

Gifts given during life avoid the probate process, even if made shortly before death.

6. Trusts

A "Totten" trust, which is a bank savings account held in trust for a named individual, can be used to pass estate assets at death outside of the probate process.

A revocable living trust, created during the estate owner's lifetime, can be an effective way to avoid the expense and delay of probate, while retaining the estate owner's control of his or her assets prior to death.

Proper planning may serve to minimize the impact of the probate process on your estate and heirs. Any potential method of avoiding probate, however, should be evaluated in terms of its income and/or estate tax consequences, as well as its potential impact on the estate owner's overall estate planning goals and objectives.

Message from the Master: Top Three Keys to Greatness

By Chris Widener

Several years ago I went into the studio and recorded a 56-minute video for teenagers called "Three Keys to Greatness." Although my focus was for teenagers, the principles I shared certainly apply to adults as well.

Recently I was asked to list these three things using one to two sentences for each. Now for your benefit here they are again.

1) Setting Goals. I call it the view of the future. Most people, including kids, will pay the price if they can see the promise of the future. So we need to help our kids see a well-defined future, so they will be motivated to pay the price today to attain the rewards of tomorrow. Goals help them do this.

2) Personal Development. Simply making consistent investments in our self-education and knowledge banks pays major dividends throughout our lives. I suggest having a minimum amount of time set aside for reading books, listening to audiocassettes, attending seminars, keeping a journal and spending time with other successful people. Charlie Tremendous Jones says you will be in five years the sum total of the books you read and the people you are around.

3) Financial Planning. I call it the 70/30 plan. After receiving your paycheck or paying yourself, simply setting aside 10% for saving, 10% for investing and 10% for giving, and over time this will guarantee financial independence for a teenager.

If a young person, or for that matter an adult, focused on doing these three simple things over a long period of time I believe they will be assured success!

Please contact Tempewick Wealth Management if you wish to have a more in-depth discussion regarding Probate.

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