



10 THINGS EVERY PARENT SHOULD KNOW

How the law affects your family

The Taormina Firm

1) ESTATE

Your "Estate" is all of the assets which you acquire during your life. Contrary to popular belief, rich people are not the only ones with Estates. Every person living in the United States today has an Estate, even children.

Your Estate includes: your house, life insurance policies, retirement plans, cars, stocks, bank accounts, business interests, and personal property. Anything that you own during your life is considered part of your Estate at death.



2) ESTATE PLAN

An "Estate Plan" is a set of documents which determine how your Estate will function during your life or after your death.

Estate Plans can provide for a range of possibilities, including your incapacity or your death. What happens in those events all depends on how you structure your Estate Plan with the help of a trusted Estate Planning attorney.





3) WILL

A "Will" is a written declaration of your intents and desires for the distribution of your Estate after your death.

Wills are the most basic Estate Planning tool, and only take effect after your death. They are not particularly good planning tools for planning for remote and contingent possibilities that might effect your family during life (like your incapacity).

4) TRUST

A "Trust" is a legal document which determines how your Estate will be distributed in the event of your incapacity or death.

Trusts are plans which exist in the present; they do not come into effect in the future like a Will.

Trusts are wonderful tools for young families to arrange their Estates and provide for their children in the unlikely event of catastrophe.



5) INTESTACY

"Intestacy" means dying without an Estate Plan. When you die "Intestate," the government, and not you, determines what happens to your Estate. There are a few different problems with dying "Intestate."

The main problem for young families is Guardianship (see 6). The other problem is the distribution of assets. If you die Intestate, your surviving spouse could only receive 1/2 of your Estate.



6) GUARDIANSHIP

"Guardianship" means appointing someone other than yourself to care for, protect, and raise your children in the unlikely event of your incapacity or death.

If you become incapacitated or die with no plan in place, a court, and not you, decide who will serve as Guardian for your children.

If you have an Estate Plan in place, however, the court **must** obey your Guardianship desires.





7) "UTMA"

The Missouri Uniform Transfers to Minors Act ("UTMA") is a government statute which dictates the distribution of your assets to your children in the event that you die without an Estate Plan.

Under the UTMA, your assets will be given to your children's appointed Guardian for their health, education, and support until they are 21. Upon turning 21, however, your children will receive a lump sum distribution of your Estate unless you have an Estate Plan in place.

8) TESTAMENTARY TRUST

A "Testamentary Trust" is a Trust which is established for your children after your incapacity or death. It dictates how your assets should be distributed to them.

If you do not believe your children should receive a lump sum of your assets at 21 (as UTMA dictates), then a Testamentary Trust is the best planning tool to prevent that.



9) POWER OF ATTORNEY

"Power of Attorney" grants you, as a parent, power over your children who are over the age of 18. For parents who are sending their children off to college and still wish to maintain some control over their lives, the best thing they can do is to establish Power of Attorney over their college-aged children so they can help with their finances and medical needs. This Power of Attorney can be ended immediately upon your child's graduation from college.



10) PROBATE

"Probate" is the court-backed procedure for settling up an Estate and obtaining Guardianship over minor children. Probate can be expensive and time-consuming.

Every Will **must** be. Trusts, however, **are not subject** to Probate. This includes Testamentary Trusts.

Probate avoidance is a major reason why families decide to create Revocable Living Trusts instead of Wills as their Estate Planning vehicle.





THE TAORMINA FIRM

My name is Vince Taormina, and I am an attorney specializing in Estate Planning for young and growing families.

I believe that every family deserves to know how the law affects their lives. I work diligently with each of my clients to craft a thorough, comprehensive, and personalized Estate Plan that fits their needs at a price they can afford.

I want to answer any questions that you might have about Estate Planning, and help your family lay the building blocks to a successful and effective Estate Plan that works for you.

If you would like to learn more about Estate Planning, or to [schedule a Virtual Estate Planning appointment](#) with me, please visit www.vbtlegal.com.

222 S Meramec Ave
Suite 202
Clayton, MO 63105
(314) 807-2559
vince@thetaorminafirm.com
www.vbtlegal.com