

CASE STUDY:

The Average Retirees



Becky and Bill have just entered their retirement years. They did well for themselves, and are shocked to learn at their annual meeting with you that they are technically millionaires with a net worth of \$1.3 million. Most of their assets have beneficiaries to them, so they ask you: Do I really need an estate plan if I have beneficiaries on all of my accounts?

How do you advise them?

Beneficiary designations are what we call "Nonprobate Transfers." Missouri recognizes that certain types of assets can be passed down to beneficiaries without the need to go through Probate.

However, that does not mean that Becky and Bill should go without an estate plan. Having a Will, Healthcare Directive, and Powers of Attorney is extremely important. A Will directs how their assets pass just in case a beneficiary to a Nonprobate Transfer dies before them. And a Healthcare Directive and Power of Attorney let someone else make decisions for them if they cannot.

ASSETS:

- House (no mortgage)
- IRAs
- 401(k)
- Life insurance
- Bank accounts
- 2 cars

Total Net Worth: \$1.3 million

QUESTIONS TO ASK:

- How do you want your assets distributed at your death?
- What do you know about the Probate process?
- What are your family dynamics like? Are you concerned about in-fighting among kids?
- What would happen to your assets if one of your kids sadly died before you?