



*Dear Clients & Friends of Cornerstone:*

*As much as we prefer not to think about leaving our children behind, it is a reality. A solid estate plan will give you peace of mind that your wishes were made clear, but you must also consider the emotional and financial implications for your heirs. The article below touches on several points you may want to consider when creating or updating your estate plan with your advisor.*

*If you would like to refer back to any previous newsletters we have published, you can find them on our website. Please be sure to visit [www.ccadvisors.com](http://www.ccadvisors.com).*

*- Cornerstone Capital Advisors*

**When children are young**, the primary concern of parents is to provide for them. After they grow up, parents usually still want to provide for them in their estate plans.

If you have more than one child, and you plan for them to inherit your estate, you may wonder how to divide your assets. To help decide how to allocate your estate, answer these questions:

**Are you comfortable distributing assets to your children outright?** If substantial assets are involved, you may want to set up trusts to distribute them gradually. For example, you might want them to be dispensed in thirds when each child reaches age 25, 30, and 35. You can always give the trustee discretion to make early distributions for expenses that you deem appropriate, such as paying for college, starting a business, or purchasing a home.

**Have you carefully selected a trustee?** When trusts are involved, you want to select a trustee who will be impartial and fair to all your children. Carefully consider whether you want to make one of your adult children the trustee. That can cause disagreements between siblings if one sibling is in a position to decide what happens to another sibling's inheritance.

**Have you considered the consequences of a child divorcing?** You probably wouldn't want to see some of your assets distributed to an ex-daughter or son-in-law. You may need to place special provisions in a trust to ensure that doesn't happen.

**Have you carefully considered how assets are distributed between your children?**

Perhaps one of your children is very well off financially, while the others have not done as well. You may want to divide your assets equally or you may decide to provide less to the affluent child. Consider this decision carefully. Children often feel they deserve an equal share of their parents' estate, even if they have a substantial estate of their own. If you decide that unequal distributions make more sense, be sure to explain why, either personally or in a letter. Hopefully, that will prevent hurt feelings or disagreements among siblings in the future.

**Do you want to make special distributions to even out inheritances?** Perhaps you paid all college expenses for some children, while other children have not gone to college yet. You may want to ensure a college education for everyone and then distribute the rest of your estate equally among your children.

**Should you coordinate your estate plan with your children's estate plans?** If you have children with their own substantial estates, it may not make sense to leave additional assets to them. Perhaps they would prefer that any inheritances be distributed directly to their children, to help minimize family estate taxes.

**Have you emphasized the need for estate planning to your children?** Especially if you are leaving substantial assets to your children, they will need to plan their own estates. Your role is not to dictate what they should do, but to gently remind them of the reasons why they need an estate plan. After major life events, such as marriage, divorce, or a child's birth, remind your children to review their estate plans.