The documents are only part of the plan.

Where carefully-crafted estate plans can unravel, how to organize the documents and assets, and coordinate among various professionals.

I. The questions that surface later in life.

As a society, we are entering a pivotal moment. More and more families are beginning to ask a deceptively difficult question: "what now?" They are no strangers to difficult questions. We all face important questions at different stages of life. From "What do I want to be when I grow up?" to "What kind of life do I want to build?" to "How do I want to spend the next chapter?" These are the questions that seem simple on paper but become much harder when the time comes to answer them.

For many, this question is not just about retirement. It is a moment to pause and ask a more important one: who depends on me, and have I done enough to prepare them? That question tends to bring others with it: what happens to the house? Does a spouse know where everything is? Have the children been prepared for what may come next? Are the accountant, estate attorney, and advisor all working from the same understanding?

A QUESTION WORTH ASKING

> *Who depends on me, and have I done enough to prepare them?*
>
> The question arrives quietly. It is not a financial question. It is about whether the people who depend on you will be taken care of. That is what an estate plan exists to answer.

II. What the documents cannot do.

The documents matter, but they are only part of the plan.

Most families we have worked with have established a will. Though the will plays a significant role in executing the distribution of assets, it is the beneficiary designations, an item often overlooked and unchecked, that can derail even the most comprehensive estate plans. A beneficiary designation is a form filled out with a bank, brokerage, or insurance company that names who receives a specific account or policy when the account holder passes. This form has the power to legally override a will. The account passes directly to the person named on it and never enters the estate the will governs. Part of why this gets missed is that the form is usually filled out once, the day an account is opened or a job begins, and then never looked at again. No one at the bank or brokerage reads your will, and no one calls to ask whether your life has changed since you signed the form.

But estate planning is not a one-time event. Life keeps moving after the documents are signed. A divorce, a second marriage, the birth of a new child or a new grandchild, the death of a named beneficiary. Any of these can change what a family wants their plan to look like. The will is updated. The beneficiary designation form on file at the brokerage or insurance company is not. This is a gap we see often.

Another misconception, particularly for those who are married, is that a shared asset with one spouse's name on the title will pass automatically to the surviving spouse by right of survivorship. This is not always the case. If the home is titled in only one spouse's name, it may have to pass through probate, where a court oversees how the asset is distributed. The same problem can arise with cars, bank accounts opened in one name, properties held in an LLC, and safe deposit boxes. Most married couples have at least one asset titled in a way they have not thought about in years.

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>
> AN OBSERVATION FROM PRACTICE

III. When the clock starts running.

Sadly, estate administrative paperwork rarely arrives at a convenient time. The family is grieving, and the work begins anyway. Time can and should be set aside to celebrate the life of the person you love. Upon the passing of a patriarch or matriarch of a family, a clock starts ticking, and several processes begin at once among the professionals working on your behalf. Most families never hear how this part actually works until they are in the middle of it.

LANE I

The estate attorney

Probate, creditor notice, and the legal framework.

Files the petition to open probate. Arranges for the executor named in the will to receive letters testamentary, the court order that formally gives the executor legal authority to act on behalf of the estate.

Inventories the assets that pass through probate, and manages the statutory notice to creditors.

LANE II

The accountant

Final returns and the tax close-out.

Files the decedent's final individual tax return, Form 1040, which covers income earned from January 1 through the date of death.

If the estate generates income after the date of death, also files Form 1041, the estate's income tax return. If the estate is large enough, or if the surviving spouse wants to preserve the unused federal exemption, also files Form 706, the federal estate tax return, due nine months after death.

LANE III

The wealth advisors

Account administration and the surviving plan.

Begin by obtaining a death certificate from the surviving family and consulting with the estate attorney on whether assets will need to pass through probate.

Identify the executor or personal representative authorized to direct the accounts, process beneficiary-designated accounts to the named individuals, and establish date-of-death values for assets held at the firm. Once these administrative steps are in motion, meet with the surviving beneficiaries to reassess their goals, risk tolerance, and financial plan.

The deadlines do not wait, and they do not coordinate themselves.

IV. The work between the lanes.

Three professionals, three lanes of work, three sets of staggered deadlines, all running at once. Each is doing important work, but that is not the problem. The work among them is usually no one's job outside of a few touch points in time.

That is the issue. The same is true of the earlier examples. A beneficiary form that contradicts a will. An asset titled in a way nobody has revisited.

These are not isolated mistakes. They are what happens when no one is looking across the seams of a plan before they matter.

The gaps in any plan are usually found in moments like this one, when there is no time to look for them.

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> WHY COORDINATION MATTERS

Ensuring that the plan is well constructed with any gaps closed, is work we think is worth doing. It is part of how we work with the families we serve.

COLOPHON

A.G. Campbell Advisory, LLC

The family wealth series, No. 01. Prepared for clients of the firm. AGCA works with families on the coordination this kind of planning requires, alongside their attorneys and accountants. This material is for educational purposes only and is not investment, legal, or tax advice.

A NOTE ON THIS PIECE

This installment looks at the seams between the documents that govern an estate, the assets they direct, and the professionals who administer them. Subsequent installments will turn to adjacent topics, including beneficiary designations, the choice of a trustee, and the planning questions that often surface when a spouse, a business, or a family home is involved.