

# All in the Planning

Spring 2016

Glenn A. Jarrett, Esq.  
Jennifer R. Luitjens, Esq.

## Estate Planning: Lessons from Prince

### Tip Corner

#### Advance Directive Registry

*So that your directive can be located when needed, you should provide one to your agent, file it with your doctor, and submit it to the free online registry provided for Vermont residents—see <http://vtethicsnetwork.org/registry.html>*

A life lost at the age of 57 is tragic, no matter whether you are Prince or John Smith. When you have celebrity status, however, your passing and the events that follow are more widely known.

Many recent celebrity deaths have illuminated the pitfalls of inadequate estate planning, including estate taxes, children's inheritances, tangible personal property, royalties, and probate. Although many of these issues will present in Prince's estate, this brief article will focus on intestacy—dying without a valid Will.

Reports suggest that about 2/3 of Americans have not created a Will. What many may not realize is that the state has created an estate plan for you, to address this void. While all states will have default rules to instruct the division of assets at death, these rules will vary somewhat. In fact, Vermont's law of intestacy were updated just about 7 years ago in an attempt to comport with the family dynamics of the 21st

century. However, it is not a "one size fits all," so you may not want to rely upon these default laws to satisfy your inheritance goals.

For example, let us examine a family where there are 2 parents and 2 shared children. At death of spouse, surviving spouse is 100% heir (1 change from 2009). At death of surviving spouse, children are each 50% heirs.

But what if the 2 children are not children of both parents? That changes everything. The surviving spouse is now only a 50% heir, with the 2 children each receiving 25%. While this intestacy provision attempts to address issues related to blended families, it may not always lead to the desired result.

Let's now return to Prince. He has no known children, nor

surviving parents. When there is no vertical family tree, the next of kin become siblings. In Minnesota, as in Vermont, half siblings are treated the same as full siblings. So the 1 full sibling and 5 half siblings will each take the same share—1/6 of the estate. Given his prior charitable actions, other interests, and unrelated friends, it is difficult to imagine that this was Prince's plan for sharing his estimated \$300 million estate.

Even though the majority of Americans need not worry about a \$300 million estate, there is usually something worth passing along. Learn from Prince and engage in some estate planning so that the laws of intestacy—in whatever state you then reside in—do not control the final distribution of your assets.

## Elder Law: No Excuses—Name a Medical Agent

### Lawyer Joke

*Q: Who invented copper wire?*

*A: Two tax attorneys fighting over a penny.*

In honor of Elder Law Month (May), we are encouraging everyone to execute an Advance Healthcare Directive. As there are several forms available online, there is really no excuse for failing to sign one.

Why should you have one? In many states, including Vermont, there is NO default party to make a medical decision for you in the event you cannot. Without a medical agent, there may be a costly

and prolonged Court proceeding to name a guardian and determine your wishes.

At a minimum you should designate an appropriate agent who will manage your care. If you wish to outline some of your treatment preferences, you may also specify those in a longer document.

Although we provide our clients with our own concise form of medical directive, you can find some options offered by the

Vermont Ethics Network at <http://vtethicsnetwork.org/adforms.html> (note the Short Form, Long Form, and "New Form: Appointing a Health Care Agent."

If you prefer to use our version, simple email us, and we will send you a blank version to complete.

After you complete the necessary information on your desired form of directive, simply sign in front of two independent witnesses!

*This newsletter is published to provide you with general legal information only, and is not intended to provide specific or comprehensive legal advice. The Jarrett Law Office encourages individuals to seek advice from a competent professional when appropriate.*

*Should you wish to be removed from our distribution list, please send an email to [holly@vtelaw.com](mailto:holly@vtelaw.com).*

*Permission to reproduce this newsletter is granted, provided reproduction is made in its entirety.*