



EXPERT ADVICE

Michael W. Cooper on enlightened estate planning

The most common mistake people make in estate planning is failing to do it at all," says attorney Michael W. Cooper, a member of the Rotary Club of Paradise, Calif., USA. You'd probably rather avoid thinking about topics such as death, illness, and probate, but when you don't put your wishes in writing, you force your loved ones to guess at your intentions.

THE ROTARIAN: Is estate planning mainly useful for wealthy, older folks?

COOPER: Estate planning is most important when you have small children. People think it's about money and death. In my view, that's the lesser part. The part of estate planning that helps you take care of yourself and your children while you're still here is the most critical.

You have to put in writing who your kids' guardians are going to be. Also, suppose I become incapacitated when I'm 72. Who's going to have my power of attorney and help me qualify for the public benefits I'm entitled to if I can't do things for myself anymore?

TR: Should you state your medical wishes in your estate plan?

COOPER: Most people who I talk to say, "Don't keep me hooked up to tubes." They have an instant, visceral reaction to the idea – "I don't want that kind of life." An estate plan gives them a chance to say what they want in terms of medical care. Medical directives allow people to express their wishes and nominate someone to make the decisions that aren't on paper already.

TR: How good are do-it-yourself estate-planning tools?

COOPER: I've seen many invalid wills over the years from do-it-yourselfing. If people don't know what they don't know, then it's probably better if they don't do this themselves. They're bearing a large risk. It's better to have somebody who's studied and practiced the law.

TR: Beyond potential tax and income benefits, what are the reasons someone should consider charitable bequests?

COOPER: Even if it's a small gift, it means something to your heirs and beneficiaries. It's a clear signal from you to them that there's a bigger picture in life, and that it's one that you want them to take part in. Collective responsibility derives from individual responsibility, and you have an opportunity to set an example for them one more time of how life works best: giving for the benefit of others. They will follow your example. – MINDY CHARSKI

Do you have a question for Michael Cooper? Join him in a one-week LinkedIn discussion starting 6 July at www.linkedin.com/in/michaelcooper.

SIX ESTATE-PLANNING MISTAKES TO WATCH OUT FOR



Cooper says that by being aware of these estate-planning pitfalls, people can prevent major headaches down the line.

[1] Not updating wills and trusts when circumstances change, such as after a divorce or the birth of a child

[2] Failing to revoke a former spouse's beneficiary status in life insurance policies and retirement accounts

[3] Granting power-of-attorney privileges or executor responsibilities to unqualified people

[4] Giving the power to make medical decisions on your behalf to two or more people who may not agree

[5] Assuming you can predict which family member will pass away first – or who will outlive everyone else

[6] Bequeathing your entire estate at one time – rather than arranging to divide it into the more optimal three or four stages of distribution – to someone who is young or who doesn't have financial expertise