



The Law Office of
David W. Adams, LLC

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PREPARE NOW (Your source for information about estate planning for your family)

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Do you want a court, the legislature, your family, or your friends deciding what should happen if you either die or become incapacitated? Most of us would say no. Instead, we would want to make our own decisions as to who will care for our children, who will receive our property and assets, or who will make important decisions for us in the event we are unable. Yet, astonishingly, over 50% of us do not have an estate plan!

In this issue we introduce you to a "Top Ten" list of key estate planning tools. We will address each of these topics in greater detail in future newsletters. As you begin tackling these and checking them off your list as completed, you will be able to look back over 2006 and feel you have accomplished something great for yourself and your family.

TOP TEN THINGS TO DO TO PROTECT YOUR FAMILY IN 2006

1. Get an Emergency Guardianship Proxy. This simple one to two-page document allows you to designate someone to temporarily care for your children in case of your incapacitation or death. You probably do not want the court or friends and family to make this decision for you.
2. Get a Power of Attorney. This basic estate planning tool can help your spouse access assets, such as a retirement fund, if you are incapacitated and your family needs cash to stay afloat.
3. Find out who the beneficiaries are on all your life insurance, 401k accounts, etc. Make sure these designations are up-to-date with your current family situation. If you had a new child, were recently married or divorced, your designations may not reflect your desires.
4. File a Homestead Declaration. Filing this simple document protects from \$500,000 to \$1,000,000 in the equity of your home from creditors. It ensures that your family will keep their home in the event of financial hardship or catastrophe. Whether there is an unexpected disability with high medical bills or a misfortune with your business, the homestead declaration protects your hard-earned equity.

5. Get a Health Care Proxy. Almost everyone watched last year as Teri Schiavo's family fought a very private battle in the public eye. The entire traumatic event could have been avoided with the written designation of a Health Care Agent in a Health Care Proxy. It helps clarify for everyone who should be making medical treatment and possible life ending decisions for you.
6. Get a Will. It is the simplest way to guarantee your wishes are carried out upon your death. It takes the guesswork out of who should care for your children, receive your property and handle administrating your estate. Having a will avoids the government or friends and family making these decisions for you. If you already have a will, review it to ensure it still reflects your wishes. Did you have another child or become a grandparent in the last year? A review of your will helps avoid unintended omissions.
7. Consider the benefits of a trust. Find out if a revocable trust can help you plan for your family's needs after your death. Are your kids ready to inherit a million dollars? Once your child turns 18 everything they inherit goes directly to them, unless you make other arrangements. Take a moment to add up the value of your life insurance, retirement and investment accounts, your home equity, and savings. Would you have been ready to handle this amount of money when you were 18? You may be able to use a revocable trust to delay distributions to your child or direct what the child can use the money for, such as college or a down payment on a home. A trust may also provide significant tax savings depending on your circumstances.
8. Buy a fire safe lock box or get a safe deposit box to store documents. Include all the documents that would be needed upon your death or incapacitation. Make certain someone that you trust knows where it is located and where the key can be found.
9. Consider protecting your family's property and business through the use of a Limited Liability Company (LLC). For a small yearly registration fee, a LLC can ensure your personal property is not taken to satisfy a judgment against your business. For instance, if you own a rental property in your own name (rather than a LLC) and someone slips and falls, they can go after not only your rental property, but your personal assets as well.
10. Review the deeds to any property you own. Educate yourself about the consequences of having a joint tenancy or being a sole owner. Are you the only one listed as owner? Then your spouse

may not automatically inherit the property. Do you own more than one property? Maybe you and your spouse can benefit tax wise by being sole owners.

For more information on many of these topics please visit us at www.dwa-law.com.

Upcoming Workshop: Using Your Estate Plan to Protect Your Children

We will be holding a free workshop entitled "Using Your Estate Plan to Protect Your Children" on Saturday, February 11, 2006 from 10 am to 11 am, at 420 Bedford Street, Suite 130, Lexington, MA. The workshop will help you learn the tools necessary to ensure you have a caretaker for your child, your wishes are respected as to how your child can spend your money after death and how to ensure your child will have enough funds to survive while you are recovering or your will is being probated. Enrollment is limited. Please RSVP to Angela at (800) 920-6658 ext. 82.

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