

“A parent’s responsibilities include providing their children with roots to grow, wings to fly, and the potential to reach for the sky.” JSB

BURNS AND BURNS, P.C. IS AN AV RATED LAW FIRM THAT REPRESENTS MULTI-GENERATIONAL FAMILIES AND BUSINESS OWNERS WITH THEIR ASSET PROTECTION, REAL ESTATE, AND ESTATE PLANNING NEEDS.

Why New Parents Need Estate Planning

As a new parent, you have already begun to experience many of the added responsibilities associated with parenthood. Typically, these responsibilities are evidenced by sleepless nights and the changing of diapers. Fortunately, most parents respond to their new duties in stride in order to promote the safety and well being of their child. Unfortunately, however, many parents are totally unaware of the negative impact that will result from their failure to prepare a Will, Trust or Minor Child Emergency Medical Consent Form.

For a new parent, preparing a Will, Trust, and Minor Child Emergency Medical Consent Form should be as much a priority as taking their child to the doctor when they are sick and here is why:

A) Reasons to Prepare a Minor Child Emergency Medical Consent (MCEMC) Form:

- 1) Absent a MCEMC Form, non-emergency medical treatment may be unreasonably delayed while the minor child’s parents or legal guardian are located for treatment verification. This is problematic because minor children are often cared for by people other than their parents (e.g. family members, daycare workers or a babysitter) and situations may arise requiring the child to be taken to the emergency room for the treatment.
- 2) Absent a MCEMC Form, a minor child’s caretaker may not be aware of the child’s

medical history, allergies or insurance coverage status. This is problematic because absent the proper insurance information and medical history, including pharmaceutical allergies, the child’s medical treatment may be delayed or the child might receive a medication which causes an allergic reaction.

B) Reasons to Prepare a Will:

1) Absent a Will, a parent cannot guarantee the smooth distribution of their estate for the benefit of their child. This is problematic because absent proper guidance, the assets intended to help raise and educate the child could be inappropriately depleted by a family member.

2) Absent a Will, a parent is relying on state officials to appoint a guardian to raise their minor child. This is problematic because state officials do not understand specific family dynamics and therefore should not be entrusted with this critical guardianship decision. Further troublesome is the fact that this process can take many months, if not longer, resulting in unnecessary uncertainty in the life of a child.

C) Reasons to Prepare a Trust:

a) Absent a Trust, a parent cannot install safety precautions to help prevent their child’s inheritance from

being reached by future creditors. This is problematic because people at a young age are generally not savvy investors and therefore are more susceptible to making poor business decisions. In addition, a Trust can be used to set forth rules on when and how a child can spend their inheritance (e.g. only for the payment of college tuition and not for the purchase of a spring break vacation).

b) Absent a Trust, a parent's tax planning strategies are greatly limited. This is problematic because without proper tax planning, a family may end up owing taxes that could have otherwise been avoided.

c) Absent a Trust, the decedent's family could be burdened with the unnecessary costs and time associated with probate. This is problematic because time is valuable and probate costs can easily exceed the cost of preparing a Will and Trust.

D) Reason to Prepare a Personal Legacy Letter:

- 1) The death of a parent can be catastrophic to the emotional development of a young child. Accordingly, all parents should write a letter to their child to be read at the time of their passing or at a future date (e.g. 16th birthday). This letter should incorporate all the hopes and dreams a parent has for their child in their absence.
- 2) Although a Personal Legacy Letter is not a legal document like a Will, Trust or MCEMC Form, it should be kept in a safe place (e.g. with your Will and Trust). This way you will reduce the chance of your letter being lost or misplaced.

About the Author

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Scott F. Burns, Esq. is an Arizona attorney whose clientele include professional athletes, business owners, and families desirous of protecting their personal and professional legacies through the use of asset protection strategies, estate planning and business consulting.

For Additional Information
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