



Posted on Sun, Jan. 19, 2014

## **Are you ready for death? Resolve to get your affairs in order**

By TIM ENGLE  
The Kansas City Star

Here's something cheery to contemplate. Suppose tomorrow you're hit by a bus/18-wheeler/SUV/exceptionally large bicycle. And die.

Are your affairs in order?

This is the month for making resolutions, and you might as well go straight to the top. Yes, you probably need to exercise more. Yes, you probably could eat better.

But what do you really, really need to do?

You need to prepare for your death.

You need a will (probably), you need advanced health care directives if you end up in the hospital, you need to leave your loved ones a list of instructions.

Where there's a will ...

You can probably come up with any number of reasons not to write your will. It sounds intimidating. It sounds expensive. Worst of all, you actually have to think about dying.

Then again, don't you want to be the one who decides who'll raise your (minor) children in your absence? Who'll get your collection of old TV Guides? (Not to mention possessions that are actually worth something.)

"It irks me when people take the attitude of 'I'll be dead, so why should I care?' " says Dan Mathews, a certified financial planner with Stepp & Rothwell Inc. in Overland Park and a member of the Financial Planning Association of Greater Kansas City.

But it's irresponsible, he says, not to have a plan in place for your estate.

"You want people to remember you for the good things you did, not the mess you left," Mathews says.

Think you're too young to have to worry about this? About 1 in 8 of today's 20-year-olds will die before reaching age 67, according to the Social Security Administration.

There are plenty of books and online resources on estate planning, but if you go the do-it-yourself route you should still consult a lawyer before executing a will. "There are too many pitfalls," Mathews says, including laws that vary from state to state.

Where there's a will substitute ...

It might take a chunk of time to list your assets, decide who gets them and then put it all down in a will. But there's one thing you can do right now: Make sure you have beneficiaries on file for your life insurance policy, retirement accounts and the like.

If you have registered those beneficiaries already, make sure the names (and percentages each gets) are up-to-date after major life events.

Designating beneficiaries — with an insurance company or mutual funds company or whatever — is known as a will substitute, says financial adviser Barbara McMahan, president of Innovest Financial Partners in Kansas City.

"Registration rules," she says. "It doesn't matter what the will says."

So, for instance, if a guy remarried but never changed the beneficiary of his 401(k) account from first wife to second wife, the first wife gets the dough if he dies — even if his will states otherwise.

McMahon is not suggesting, by the way, that you don't need a will. A will can make your wishes clear about whatever you own. Otherwise, your kids may start World War III over your TV Guides.

Another will substitute: the old T.O.D., "transfer on death."

That "classic" car of your dad's? He might have listed you as the T.O.D. beneficiary on the clunker's title. Again, McMahon says, T.O.D. trumps the will.

There's also P.O.D., "payable on death," for such assets as checking and savings accounts.

Low-income property owners without the means to execute a will should consider a beneficiary deed, aka a transfer-on-death deed. It's like the T.O.D. notation on a car title, but it gets filed with the recorder of deeds, says Gregg Lombardi, executive director of Legal Aid of Western Missouri.

He gives this example. Say an older woman owns a home. She dies without a will. Her adult daughter moves into the mom's house. Five years go by, and the house needs a new roof. The daughter goes to the bank for a loan but discovers her dead mom still owns the house.

"By that time it costs \$10,000 or more to bring action to clear the title," Lombardi says. If the daughter can't afford that, she finds herself stuck in a house that she doesn't own and can't afford to maintain. Ultimately she may walk away from the house, which is likely to become just one more blighted, abandoned property.

If the mother had filed a beneficiary deed, a simple two-page document, ownership would have transferred immediately to the daughter.

(Low-income Missouri homeowners over 60 can contact Legal Aid at 816-474-6750 for free assistance with filing beneficiary deeds.)

#### Health care directives

You never know when you'll wind up in the hospital. Now's the time to consider when (to put it bluntly) you want the plug pulled. Also, you need to designate someone who can make health care decisions for you when you can't speak for yourself.

The forms to fill out are a health care treatment directive (sometimes called a living will) and a durable power of attorney for health care decisions.

These forms are available online for free from various sources, including the Kansas City-based Center for Practical Bioethics. Go to [practicalbioethics.org](http://practicalbioethics.org) and click Resources, then Caring Conversations. You'll have to provide your name and email address to download information and forms (also available in Spanish).

"Caring Conversations for Young Adults" includes guidance on how to talk about organ donation, do-not-resuscitate orders and serious illness.

#### Time to write a letter

By putting pen to paper, or fingertips to keyboard, you can tell your nearest and dearest just how much you love them. But you should also tell them things like where you have bank accounts, where the keys to the safe deposit box are and your email and Facebook passwords ... just for starters.

And after you've written that letter, make sure your family and friends know about it.

McMahon says that her mother, when she was dying of cancer, told her adult children she'd left them an envelope on the coffee table in the living room. "And it had everything in it," McMahon says.

Jeanne Fleming, co-author with Leonard Schwarz of the Money Manners column (which appears Sundays in Star Magazine), notes that in many households one person handles the investments. If that's you, write a memo explaining where they are, how they work and how they should be handled. Also include the name of someone who can help the executor and beneficiaries make sense of it all.

"Digital assets" are something our great-grandparents never had to worry about, Mathews says. Nowadays, though, you should leave a note with all your online user names, passwords and security-question answers, he

says. (Doesn't have to be a note, by the way; you could put that information on a USB drive, for instance.)

Especially if you live alone and have pets, you should also give some thought to who will care for them after you're gone and maybe provide some money for that. Put pet-care instructions in your letter, too. (FYI covered the topic of pet wills and trusts in 2011; if you missed it, find a link at [KansasCity.com](http://KansasCity.com).)

None of this, we know, sounds like a funfest.

But "having an estate plan in place does give you peace of mind," Mathews says.

"People have this fear of their mortality and don't want to face it. But when they come out on the other side, they think, gosh, that wasn't so bad."

---

To reach Tim Engle, call 816-234-4779 or email [tengle@kcstar.com](mailto:tengle@kcstar.com). On Twitter: @tim\_engle

---

© 2014 Kansas City Star and wire service sources. All Rights Reserved. <http://www.kansascity.com>