

Money Matters: What happens if you die without a will?

BY JAMIE BOSSE - FINANCIAL PLANNING ASSOCIATION OF GREATER KANSAS CITY -

12/18/2014 1:00 AM | Updated: 12/18/2014 7:00 AM

If you pass away and do not have a will, this is called dying “intestate.”

So any assets that you own that would normally pass through a will would be distributed according to your state’s intestate succession laws if you do not have a will. This could include bank or investment accounts that are in your name only, your car, your house, anything that you own that does not have another owner or beneficiary designation.

Assets that you own that have named beneficiaries will pass directly to those beneficiaries (even if you don’t have a will)– 401(k)s , IRAs, life insurance, etc. It is best to check these designations every year for accuracy. If you listed your ex-husband as a beneficiary and never changed the designation after the divorce, he would still inherit your account. Also, any assets that you have transferred into a trust or where you have a Payable on Death (POD) or Transfer on Death (TOD) designation would be exempt from these intestacy rules.

So what happens to your assets that are affected by the intestacy laws?:

If You Live in Kansas:

If you have a spouse and children – your spouse would inherit half of your intestate property and your children would inherit the other half. This is generally not how people desire their assets to transfer. They typically want the spouse to inherit and control the assets and then have them pass to the children when the second spouse dies.

If you have children, but are not married – the kids get everything

If you have a spouse and no kids – the spouse gets everything

If your parents are living and you have no spouse or children – your parents get everything.

If you having living siblings, but no spouse, kids, or living parents – your siblings get everything.

If You Live in Missouri:

If you have a spouse and children (with that spouse): Spouse inherits the first \$20,000 plus half of the remaining balance, your children inherit everything else.

If you have a spouse and children (with someone other than your current spouse): Spouse gets half, kids get half.

If you have children, but are not married – the children get everything

If you have a spouse and no children – spouse gets everything

If your parents and siblings are living, but you have no spouse or children: Parent and siblings inherit everything in equal shares

If your parents are living, but you have no spouse, children, or siblings – parents get everything

If your siblings are living, but not your parents, no spouse or children – siblings get everything.

Close to 60% of Americans currently die intestate. Most people believe that their property will automatically pass to their spouse, but under most intestacy laws, this is not the case. In some states, the spouse may only be entitled as little as one-third of the estate. Don't leave these important decisions up to the state; make sure you take care of your family by getting a will in place.

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