



**Estate Planning for Young Individuals:
Who Needs a Plan?**

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“I’m too young to have an estate plan.” “I have insufficient assets.” “I can’t afford to hire an attorney to develop an estate plan.” In a 2004 survey conducted by Lawyers.com, the previous statements are the most frequent reasons adult Americans cited for not having an estate plan. However, what many people don’t realize is that these responses are the most important reasons to have an estate plan.

Everyone needs an estate plan. Young or old, an estate plan is something that should not be disregarded or put on hold until needed. You never know when something tragic is going to happen, and being proactive is the best the plan. The following are important reasons why younger couples and single individuals should have an estate plan.

Plan for Your Children

If you are a young couple or single individual with minor children this is the most important reason to have an estate plan. Who will take care of your children if something should happen to you? Without a plan in place for your children, the courts can step in and make that decision for you. In Pennsylvania, this involves a “best interest of the child” analysis that may not be what you had in mind.

Would you want your children to receive all of their inheritance at age 18? We all know that at the age of 18 we were not thinking about investments or building a nest egg for the future. Whether the inheritance is \$1 million or \$100,000, it is highly likely this money will not be used for their best interest.

You can provide for your minor children by making simple guardianship and trust provisions in your will.

Plan for Loved Ones with Chemical Dependency

A will can also provide for a close individual with a chemical dependency. In Pennsylvania, if you die intestate, or without a legal will, your estate will be administered according to the intestate laws. Your lineal descendants will receive distributions outright (not including minors, please see the discussion above) causing an individual with a chemical dependency to accumulate a great deal of wealth in a short time period, which may be dangerous. In a will, you can provide for those individuals by establishing a trust to provide for them after death while not enabling their habit.

Plan for Emergencies

Simple emergency preparation can be done via a financial and health care power of attorney. These documents govern what happens while you are still alive. You could be seriously hurt in an accident and left unable to complete daily activities like paying bills and running to the bank. Having a simple financial power

of attorney allows your selected agent to handle your financial affairs until you make a full recovery.

We all know too well the battle that ensued in Florida over the late Terri Schiavo, who suffered a brain injury at the young age of 26 and was fed through a feeding tube. A 15 year battle resulted between her husband and parents as to whether or not Ms. Schiavo wanted to remain on life support. This battle could have been easily avoided, if Ms. Schiavo had a health care power of attorney in place indicating her wishes to be taken off of life support.

In 2006, Act 169 was signed into Pennsylvania state law by Governor Rendell to assist individuals with making health care decisions. It presumes all individuals want to remain alive, absent a specific intention in a living will. See 20 Pa.C.S.A. § 5443(f) (*If an individual does not make a living will, a presumption does not arise regarding the intent of the individual to consent to or to refuse the initiation, continuation, withholding or withdrawal of life-sustaining treatment*).

Despite the difficulty, we must face the reality of our own mortality. In a majority of cases, serious accidents occur to individuals in their twenties and not at a senior age. Therefore, a health care power of attorney is important at all age levels. A simple health care power of attorney addresses non threatening health issues and situations that involve the use of a living will.

Plan for Your Wedding

While most people don't believe a prenuptial agreement is an important estate planning document, in reality it is. A prenuptial agreement is not just for the rich and famous. This document protects your assets should you separate or divorce from your spouse. There may be numerous reasons why a prenuptial agreement is important before you get married: you own assets like a home, broker or retirement funds, you or your family owns a business, you have children from a previous marriage, your spouse is in debt more than you, etc. Prenuptial agreements are not to be considered "iron clad" or "fail safe," as they do not protect you from all situations, such as child support or custody. However, a prenuptial agreement will reduce potential conflicts or disputes in the event of divorce or separation and will support your estate plan.

When thinking about a prenuptial agreement, please consult an attorney. Under Pennsylvania law, in order for a prenuptial agreement to be valid and enforceable, there must be full and fair financial disclosure between each party. Practically speaking, this means each side's attorney should review the agreement prior to execution.

As you can see, there are many valid reasons why an estate plan should not be overlooked. A proper estate plan will provide you with a sense of safety and security

that your intentions will be followed and your loved ones will be provided for after your death.

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Founded in 1957, Leisawitz Heller Abramowitch Phillips, P.C. is a regional law firm located in Wyomissing, Pa. The firm handles a wide variety of cases for clients throughout southeast Pennsylvania, including business formations, mergers and acquisitions, personal injury litigation, elder law, estate planning and administration, fiduciary litigation, employment law, real estate development, debtor and creditor rights, commercial ankrupctcy and intellectual property matters. To learn more about Leisawitz Heller, please visit www.LeisawitzHeller.com.

