

“प्रज्ञान”

Means of Wisdom

I have a Nuclear Family... Why do I need an Estate Plan?



Why do I need an Estate Plan???

I have a nuclear family, my wife is the nominee, there is no question of dispute or litigation..... these are some common answer given by most people.

We lead a very hectic life and often family members are not aware about the financial dealings and asset information, sometimes the documentation is incomplete or not updated regularly.

Often important documents are not in place, or even missing.

Common reasons why a Nuclear family should have an Estate Plan: -

- Family security
- Providing for kids' education
- Providing for shelter
- Old age and retirement
- Medical emergencies

Some life aspects that nuclear families ignore and they need to consider: -

- Sudden Death
- Incapacitation
- Separation
- Legal issues and formalities

Life is uncertain, we often forget that calamities can strike anytime.

While we look at natural calamities and disasters, terrorist attacks as unforeseen events, today we are faced by a totally new scenario of a pandemic which has not only brought life to a halt but also brought death to our doorstep.

While most of us update our financial plans with the financial goals we completely ignore the estate plan. The job is half done with only a financial plan in place.

Consider a scenario where both husband and wife die in an accident leaving behind minor kids and some wealth. The relevant questions to be asked here are:

- Are the kids equipped of a legal age to manage the assets?
- Can they handle finances?
- Who will look after them?
- Will the wealth grow if there is no plan in place, and will it suffice if it doesn't grow?
- Is Death the only Fear, what if you are incapacitated?

IF YOU HAVEN'T THOUGHT OF ALL THE ABOVE, IT IS TIME TO THINK AND GET YOUR ESTATE PLAN IN PLACE

So, what should such families do: -

- Nomination
- Get a WILL and execute the same (for you and your spouse)
- Get a power attorney issued in name of the person who can manage your accounts in case you are incapacitated
- Set up a Private Family Trust
- Identify and appoint a guardian for your minor kids
- Get a Trustee and/or an Executor (trustworthy)

You can set up a Trust which can take care of you in case you are incapacitated and also take care of the family. The same Trust can take care and protect your financial assets provided for the minor kids.

So precaution is better than cure and Act Now...

Disclaimer: This knowledge series is not intended to hurt the sentiments of communities or individuals, living or dead that appear in it. Our intention has been, is and will always be to constantly add value to our valuable customers in some way or the other while we try to ensure that the information we provide is correct, mistakes do occur and we cannot guarantee the accuracy of our material. Terentia makes no warranties or representations as to the accuracy of information presented in the article/s. Terentia in the process of creating, producing or delivering this article shall not be liable for any direct, incidental, consequential, indirect, special, exemplary, punitive or other damages arising out of the use, or any errors or omissions or in the content of the article.