

A Single Woman's Guide to Estate Planning



Divorced? Unmarried? Kids or no kids? Your marital or "mom" status doesn't determine whether or not you need an estate plan. If you have a sizable investment portfolio, retirement savings, a home or other assets, being single may actually increase the need for estate planning – particularly if you want a say in who gets what.

If you die without a will, your estate is handled according to state law. An unmarried person's assets will likely go to the next of kin (such as a parent or sibling), potentially leaving other loved ones or a favorite charity with nothing. Take charge with these first steps:

1. Ask yourself the big questions:

Who should inherit my money, property and/or personal items? Who should be guardian for my child(ren)?

2. Put your will in writing.

Consider attending a workshop for writing your own will or hire an attorney to draft the will and other appropriate estate planning documents.

3. Talk about tax planning. Unlike assets left to a spouse or charity (which are generally tax-free), an inheritance to a non-spouse heir, above certain limits, may be subject to state and/or federal estate tax. Your tax advisor can help you minimize exposure to tax.

Leave a Legacy

Think about the time you spend shopping for gifts, or the hours you've clocked

volunteering. Why not spend a fraction of your time planning what happens to your resources after you're gone?

You Go Girl!

Many of us hope to live to 100, but let's face it – life can change in a second. Take control by using the appropriate estate-planning tools to carry out your wishes. The following are examples for illustration only.

A single mom creates a trust for a minor child, ensuring that the child – not an exspouse – can access the money when he or she reaches a certain age. She may also name the child as beneficiary on retirement plan accounts and insurance policies. (Note that these designations supersede a will.)

An adoring aunt would rather pay for her nephew's college education than her sister-in-law's shopping spree. A trust fund can be set up for the specific purpose of paying for the nephew's education.

A sensible sister trusts one sibling more than another to act in her financial best interests. A durable power of attorney allows her to delegate legal authority over her affairs to a trusted person if she's physically or mentally unable to make decisions.

A best friend happens to be more suitable than a distant relative to make end-of-life and/or health care decisions. Naming this person as a health care proxy in a

living will makes these wishes known.

A chick for charity wants to support her favorite charitable organization by including it in her will. She may also consider a charitable trust to take advantage of potential tax savings.

A pet protector can name a person (in her will) to inherit her pet, or set up a trust that names a caregiver and designates funds for the pet's expenses.