The Khalsa Law Firm, P.C.

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your estate matters

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Fair May Not Be Equal

When Your Beneficiaries Have Different Needs

The simplest way to pass on your estate to your children is to divide your assets equally. Yet depending on the circumstances, "equal" may not be fair.

Simple example: College expenses. Say your oldest child recently graduated and you covered their expenses and your youngest is just entering college. If you pass away and your assets are divided equally, your youngest will have to pay for college using their portion of the Trust.

As another example, dividing your estate equally may result in a greater hardship if one of your beneficiaries has special needs and is unable to generate an income. In a broader sense, inequalities in distribution are more likely to occur if you own a home, a business, or other sizable assets.

One way to avoid the "inequality problem" is to create a Trust holding assets that will not be divided equally until, for example, all your children have embarked on their own careers and life journeys. The beauty of a Trust is that it allows you to plan for the specific needs of your family.

While "fair" estate planning—creating a plan that takes into account various scenarios and contingencies—can certainly be complicated, our firm can help.

Once you decide on a plan, make sure to discuss the details of your plan with heirs and family members so you can help manage disagreements or controversies before you pass away. (Studies show that the majority of people never discuss their estate plans with their children—and as a result, arguments often arise over inheritance issues.)

Take the time to pass on your assets in a thoughtful way—and to do your best to ensure family harmony after you're gone.

Exploring the World… from Home

No Passports Required!

Diving into a new culture and learning about far-off destinations doesn't need to be a costly or complicated endeavor. In fact—it does not even require travel!

Since research shows that most people enjoy planning a trip as much as they enjoy actually taking a trip, why not plan some virtual trips—and spread the fun of planning among every member of the family? Have each person take turns researching a trip they might like to take—how to get there; where to stay; and what to experience, learn and enjoy.

Consider taking it even farther. Plan a dinner that involves food unique to the destination. Plan family time around an activity unique to the destination. Maybe your son will make this Tuesday "Tahiti Night." Maybe you'll make next Wednesday "A Night in Rome."

Even young kids can participate. After all, research shows that planning helps build mental skills like cognitive flexibility and working memory.

Togetherness, fun, and learning. Even if you never leave your house.

Taking Care of Aging Parents

While Also Taking Care of Yourself

While providing care to a loved one can be fulfilling, research shows that caregiving is also associated with mental anguish and poor physical health, especially among those who care for individuals with dementia. One example: A National Institute on Aging study in 2020 showed that 40% of people who experienced stress while caring for a spouse with Alzheimer's died sooner than those who did not report experiencing stress.

With nearly 50 million Americans performing some form of consistent care for older or impaired relatives and friends, what are some ways to manage the physical, emotional, and financial stresses related to caregiving?

The life of the person you care for—and just as importantly, the life you had with that person—is no longer the same. Start accepting and responding positively to your natural feelings of grief. Embrace and engage in new activities, new habits, and new connections.

Then seek support from caregiving resources and community organizations. Create a plan that involves as many people as possible in order to share responsibilities and create a network of support not only for your loved one but also for yourself. When necessary, consider hiring trained caregivers to take care of specific tasks or to provide respite care.

Be sure to take care of yourself as well. While it can be tempting to put others first, especially when their needs are great, if your own health and well-being suffers, so will the level of care you are able to provide. Actively schedule time for yourself. Share your feelings with a trusted friend. Seek support for yourself from caregiving organizations; many have resources designed to provide "care for the caregiver."

Most importantly, be kind to yourself. Don't lose sight of the fact it is possible to dislike some caregiving tasks… while still loving the person you care for.

What the 'Brady Bunch' Never Discussed

Planning for Blended Families

With divorce rates holding relatively steady at 40-50% in the US[1], second marriages are very common. But the financial and estate planning issues created by a blended family can be anything but. One key is to take affirmative steps to ensure children from a prior marriage are protected.

Here are a few of the financial, legal, and estate planning issues you should absolutely keep in mind.

Remarriage protection. If your spouse gets remarried after you die, assets can become commingled. A Trust can protect the assets you wish to pass to children from a previous marriage.

Expenses and ownership. Many remarried couples choose to set up joint accounts to pay for expenses like mortgages, utilities and groceries, and use individual accounts to pay other bills, since keeping money separate may be important if you are financially entangled with a former spouse. Creditors are not always bound by divorce settlements, so through default you could be responsible for old debts.

Community property versus common law. In community property states whatever you bring to the marriage or receive individually by gift or inheritance remains yours, assuming it isn't commingled. Anything earned or acquired during the marriage is owned as community property with your spouse. In a common law state, ownership is controlled by titles, registrations, or ownership documents. Our office can help you develop an appropriate estate plan for our state, and if you own property out of state, help you plan, if necessary, for both forms of ownership.

Inheritance timing. What happens to inheritances for the children of the first spouse to die? Do they wait for the surviving spouse to die? They may, unless you set up a Trust that stipulates your intentions. Plus, if you pre-decease your new spouse and you own assets jointly you may unintentionally disinherit your children from a prior marriage (and your new spouse may then get final say over who inherits jointly-owned assets).

If you created your estate plan prior to your second marriage, revise that plan with your new family in mind. Our office can help you plan for and avoid unforeseen complications—and unintended outcomes.

1 *https://www.apa.org/*

Can You Guess this Legacy?

In his "spare" time, he created a foundation to help homeless youths gain leadership skills. He was a national ambassador for After School All-Stars, an organization that encourages young people to achieve their goals. He and his wife donated $1 million to help build the Smithsonian's National Museum of African American History and Culture. Through the Make-A-Wish Foundation he met with over 100 children suffering from critical conditions.

He volunteered for the Boys & Girls Club of America, often hosting basketball camps. He participated in the league's NBA Cares initiatives, helping to build homes and basketball courts, stock food pantries, and participate in reading initiatives.

He also donated time and money to cancer organizations, sports and cultural programs for youths in China, and to various other schools and youth organizations throughout the country.

Kobe Bryant was an 18-time NBA All-Star and won five NBA Championships, but his accomplishments off the court may be considered just as exceptional.

What will your legacy be?

Things No One Told You About Aging

Sure, you may not be as spry as you once were. But aging also involves a number of surprising benefits.

For one thing, you'll steadily grow happier. Research shows that starting at age 47, happiness levels increase. As the researchers write, aging results in the wisdom, maturity, and perspective to "quell their infeasible aspirations." They also feel people in their 20s, 30s, and 40s are more likely to compare themselves to other people... and find themselves wanting. Stress is also less prevalent among older adults, also likely due to greater maturity and perspective.

Feelings of self-confidence also improve. Self-esteem tends to increase rapidly as we age due to gains in employment, wealth, and family satisfaction. And even though self-confidence tends to dip in our 60s and 70s, those who continue to find ways to gain meaning and purpose maintain greater levels of self-esteem.

Sleep patterns also tend to shift. If you've always wanted to be a morning person, aging should help you rise and shine much earlier (while still getting a good night's sleep).

And then there's this: While young entrepreneurs tend to get all the press, research conducted by two MIT professors shows a 50-year-old startup founder is over two times more likely to launch a successful startup than a 25-year-old founder, and a 60-year-old startup founder is three times as likely to launch a successful startup than a 30-year-old startup founder—And is nearly twice as likely to launch a startup that winds up in the top 0.1% of all companies.

Age does have its benefits. Make sure you take advantage!

Compliments of The Khalsa Law Firm, P.C.

S.J. Khalsa, a 26 year member of the American Academy of Estate Planning Attorneys, has been providing highly personalized Estate Planning services to the New York community since 1974. He helped initiate the popular use of the Living Trust in New York State over two and a half decades ago and continues to use it to offer clients real protection and give them true peace of mind.

With the publication of his book, *Estate Planning Essentials: A Guidebook for Today's Modern Families,* S.J. has joined an elite group of published lawyers and is a recognized authority in the field. He has assisted countless clients in preserving their assets, avoiding probate, and reducing their taxes. His firm provides Estate Planning, Wills, Trusts, Estate Administration, Probate, as well as Planning for Children with Special Needs, Elder Law, Medicaid and Asset Protection. S.J. is also available for private speaking engagements upon request.

For more information please call (212) 973-0100 or visit **www.khalsalaw.com** to obtain special Estate Planning reports and resources.

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