

NORTH CAROLINA ESTATE AND INHERITANCE PLANS – PART 1

“Today we are going to begin a two-part discussion on what estate and inheritance plans are, how they differ, and what kind of tools you might need to create in order to protect your inheritance decisions.”



CHERYL K. DAVID

North Carolina Estate Planning and Elder Law Attorney



North Carolina residents who talk to an estate planning attorney are often concerned with their inheritance choices. After all, isn't making inheritance decisions and protecting them what an estate plan is about? And isn't making inheritance decision simply a matter of putting your wishes down in writing in your last will and testament?

While these questions are common, they aren't exactly precise. There are a lot of misconceptions when it comes to estate and inheritance plans, many of which can be harmful if you rely upon. Today we are going to begin a two-part discussion on what estate and inheritance plans are, how they differ, and what kind of tools you might need to create in order to protect your inheritance decisions.

INHERITANCES PLANS, ESTATE PLANS



At its broadest, an estate plan is simply a collection of legal tool that allows you to protect your desires if and when you should become incapacitated or die.

Even though everyone dies, the majority of people do not ever get around to actually creating an estate plan. Further, those who decide to create a plan on their own, such as by creating a last will and testament, often overlook many of the important issues that a good estate plan needs to address.

One of most important topics you will address through your estate plan is the question of how you want to distribute your property after you die. This issue is generally addressed by you making specific choices about the kinds of inheritances you want to leave behind. A good inheritance plan will include a last will and testament, but there are many other tools that can also allow you to choose inheritances.

Further, an estate plan is much broader than a simple inheritance plan. Estate plans will not only allow you to make inheritance choices, but they will also allow you to make other decisions, such as who you might want to manage your estate, who you want to make decisions on your behalf should you become incapacitated, and who you might want to serve as the guardian of any young children in your care.



PROPERTY, INHERITANCES, AND INCAPACITATION

To better explain the difference between an estate and inheritance plan, let's take a look at a specific example. Let's say that you are involved in a car accident and are hospitalized as a result. The accident has left you unconscious, unable to work, unable to manage your affairs, and unable to make any kinds of decisions.

Let's further say that before the accident you had the forethought to make



an inheritance plan. How does the plan help you in this situation?

To put it simply, it doesn't. While a good inheritance plan will control what happens to your property after you die, an incapacitated person is not dead. An

incapacitated person is in need of an estate plan that will address incapacity issues, not only inheritance questions.

In this situation you would need an incapacity plan that names someone who will manage your finances on your behalf, communicate your medical decisions to your healthcare providers, and more. A simple inheritance plan is not sufficient to provide you with these kinds of protections.

DEVELOPING AN INHERITANCE PLAN THAT MESHES WITH YOUR ESTATE PLAN

The process of creating an inheritance and state plan involves the development of numerous individual tools. While we will address what kind of tools you will likely create in our next discussion of this issue, for now you need to understand that each tool you create will be designed to accomplish a specific goal, or goals. Further, each tool must be designed with the other elements of your plan in mind, so that they can, altogether, give you a comprehensive collection of estate and inheritance protections.



In other words, developing a strong inheritance plan so that it meshes well with your estate plan is a process that is best done with the aid and

guidance of your attorney. There are so many different moving parts, changeable elements, and complicating issues that the average person is not able to develop a comprehensive plan on his or her own.

If you have questions about inheritance plans, estate plans, or how you might begin the process of creating one, you should contact our offices as soon as possible. The attorneys and staff at the Law Offices of Cheryl David have years of experience assisting our clients create plans that meet their individual needs, but we cannot provide you with our assistance until you decide to reach out to us.

ABOUT THE AUTHOR



Cheryl David is a graduate of UNC-Chapel Hill, the University of Baltimore School of Law, and the prestigious Trial Lawyer's College presided over by Gerry Spence. A former Administrative Judge, Cheryl is certified as an Estate Planning Law Specialist by the ABA accredited Estate Law Specialists Board, Inc. She is also a member of the American Academy of Estate Planning Attorneys, Medicaid Practice Systems and the National Academy of Elder Law Attorneys.

In 2008, Cheryl received the honor of becoming a Fellow with the American Academy of Estate Planning Attorneys. The Fellow program recognizes Academy Members who demonstrate advanced expertise and significant practical experience in the total estate planning, trust, tax planning, guardianship, probate and estate administration fields. In order to maintain this advanced expertise, Cheryl takes over 36 hours of continuing education in Estate Planning, Elder Law, and Taxation each year. Also a Financial Planner, she holds the Series 7 and 66 Investment Licenses in addition to both Insurance and Long Term Care/Medicare designations.

Her professional capabilities, together with over 25 years in practice, have combined to bring positive change to the lives of over 4500 clients and their families.

528 College Road
Greensboro, NC 27410
Phone: (336) 547-9999
Fax: (336) 547-9477
WWW.CHERYLDAVID.COM