Estate Planning For Blended Families

If you’re in a blended family, you’re already aware of the emotional and financial issues involved in your daily life. But what about the future? When it’s time to do your estate planning – and it’s never too soon for that – you’ll need to be aware of the entanglements and complexities that can get in the way of your vision for leaving the legacy you desire.

You can take comfort in knowing that you’re far from alone. More than half of married or cohabiting couples with at least one living parent, or parent-in-law, and at least one adult child, have a “step-kin” relationship, according to a study from researchers at the University of Massachusetts and other schools. That’s a lot of estate-planning issues.

Nonetheless, the task does not have to be overwhelming – as long as you put sufficient time and thought into it. Here are some ideas that may help:

• **Seek fairness—but be flexible.** Even in a nonblended family, it’s not always easy to be as equitable as you’d like in your estate plans – too often, someone feels they have been treated unfairly. In a blended family, these problems can be exacerbated: Will biological children feel cheated? Will step-children? Keep this in mind: Fair is not always equal – and equal is not always fair. When deciding how to divide your assets, you’ll need to make some judgment calls after carefully evaluating the needs of all your family members. There’s no guarantee that everyone will be satisfied, but you’ll have done your best.

• **Communicate your wishes clearly.** When it comes to estate planning, the best surprise is no surprise – and that’s especially true in a blended family. Even if you’re the one creating your estate plans, try to involve other family members – and make your wishes and goals clear. You don’t have to be specific down to the last dollar, but you should provide a pretty good overall outline.

• **Consider establishing a revocable living trust.** Everyone’s situation is different, but many blended families find that, when making estate plans, a simple will is not enough. Consequently, you may want to establish a revocable living trust, which gives you much more control than a will when it comes to carrying out your wishes. Plus, because you have transferred your assets to the trust, you are no longer technically the owner of these assets, so there’s no reason for a court to get involved, which means your estate can likely avoid the time-consuming, expensive and very public process of probate.

• **Choose the right trustee.** If you do set up a living trust, you’ll also need to name a trustee – someone who manages the assets in the trust. Married couples often serve as co-trustees, but this can result in tensions and disagreements. As an alternative, you can hire a professional trustee – someone with the time, experience and neutrality to make appropriate decisions and who can bring new ideas to the process.

Above all else, make sure you have the right estate-planning team in place. You’ll certainly need to work with an attorney, and you may also want to bring in your tax advisor and financial professional. Estate planning can be complex – especially with a blended family – and you’ll want to make the right moves, right from the start.

This article was written by Edward Jones for use by your local Edward Jones Financial Advisor.

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