



Trust Company Oklahoma

INVESTMENT PERSPECTIVES

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HOW TO TALK TO YOUR HEIRS ABOUT YOUR ESTATE PLAN

Without Ruining Your Relationship With Them

Football season is upon us once again, and I am an avid college football fan. Before the season starts, I watch every practice video and interview available because I can't contain my excitement. One thing that is abundantly clear in those preseason videos is how much time the coaches spend developing schemes to give their teams the best chance to win. Imagine the chaos if all those x's and o's that the coaches developed were never communicated to the players. In many ways, the success of each coach comes down to how well they communicate their plan. The same could be said with regards to the success of an estate plan.

It takes hard work and a great deal of thought to craft an estate plan. One of the best ways to ensure the plan's success is to communicate the game-plan with the players (your family). Communicating clearly with those who will be impacted by the plan can increase the chances that your plan is carried out smoothly, and reduce confusion and chaos when it comes time to execute it.

This concept of intergenerational planning is simple, but that doesn't mean it is easy. Complex family relationships and the emotional nature of passing on assets make open conversations on these topics difficult for many families. For some, such conversations may even be viewed as taboo. Family meetings aren't for everyone. If you believe it will benefit your family, here are a few tips to help you have a successful family meeting about your estate plans:

CONSIDER HAVING A TRUSTED FINANCIAL OR LEGAL ADVISOR PRESENT

This option can work well in meetings where estate plan details will be discussed. Your advisor likely already knows the details of your plan and your family dynamics. He or she can help you plan for the meeting and help cover the necessary topics on the day. An advisor is also less likely to become emotional about the family finances and can help keep the conversation moving in a positive direction.

Continued on page 2

CLEARLY EXPLAIN THE ROLES OF EACH FAMILY MEMBER AS IT RELATES TO THE PLAN

In many cases, adult children will play different roles in carrying out the family's financial plan. Some may take over a family business; some may assist with the sale or upkeep of family-owned property; and some may have a much less active role to play in the management of family finances. Whatever the case may be, it is important that these plans are communicated in a clear manner to avoid confusion and potential hurt feelings in the future.

PROVIDE COPIES OF APPLICABLE LEGAL DOCUMENTS

If there is a trust or will that helps explain your estate plan, consider providing copies to those named in the document. The language used in legal documents can at times be difficult to understand. Allowing those individuals that are specifically listed to review documents provides the opportunity to see in advance what the plan outlines.

ALLOW FOR TIME TO ASK QUESTIONS

Effective communication goes two ways and this may be the most important aspect of your family meeting. Many elements of an estate plan only become active upon a significant change in mental or physical capacity or death, at which point asking questions will no longer be a viable option. A time to ask and answer questions can help clarify the plan for everyone involved and give everyone an opportunity to be heard and feel a part of the process.

HOWEVER...

As I previously mentioned, these conversations can be difficult. There are families for which a family meeting might not be the best for the success of the plan. Only you know what is best for your particular situation.

I encourage you to think about your own financial plans, and the desires you have for the future. Carefully consider how your family may be involved and impacted, from your grandparents down to your grandchildren. No matter how simple or complex your plan, a family meeting can be a fruitful and meaningful time to improve the chances of success for your plan.

At Trust Company of Oklahoma, we have years of experience with these types of meetings. We are here to help you with your estate, from deciding whether a meeting is right for your family all the way to hosting the meeting.