



OLD NORTH STATE TRUST, LLC

People without Heirs need to do Estate Planning, too

The value of estate planning is clear and obvious for people with children or grandchildren. But for those who don't have heirs should also be thinking about how to manage their assets and care for things that are important to them after they are gone.

Old North State Trust, LLC does a lot of work planning for clients who have no heirs. Some clients may have no children, or have outlived their children. What relatives they do have may be estranged, or just not in a position to carry out the client's final instructions.

In all of these situations, these people come to us to make sure we will settle their estates in the manner they wish. We will be around to work on their behalf when no one else will. Also, they can take comfort from the fact that we are bound by the strictest of legal obligations to carry out their wishes precisely as they specify.

They may decide to leave the funds to charity or to distant relatives. Regardless of what those final dispositions may be, these clients want to make sure someone will be on the job to take care of their final wishes.

Typically, the first thing such clients are concerned about is the circumstances and location of their burial and final resting place. Most people have very specific preferences about funerals or memorial services, burial vs. cremation, etc., and want to be confident someone will ensure their wishes are respected.

The next most important point is to be sure their estates aren't taken advantage of by unwanted sources, which could be other family members, friends that want to help, or business opportunists. The Estate Plan could include very specific provisions such as whether and how a tract of real estate might be developed, or if collectibles or other valuables are kept intact or disposed of separately. It could also be something more general, such as specifying how assets are to be valued and liquidated.

A common provision included in the estate plan for individuals without heirs is to ensure that arrangements are made for the care of any pets.

It is reassuring for clients to know that their home and belongings are secured and cared for once they are gone. In that role, we help to make certain that everything is neatly wrapped up, so to speak.

As an example of how someone with no heirs might set up their estate, we have a client who is young and healthy and fully able to take care of herself, and she has no children. As part of her estate plan, she has directed that we segregate part of her assets to pass to a sibling. At her death, those assets will go directly to that person and the remainder of her assets will be distributed according to detailed provisions in her will. We have a separate account for the assets that she has segregated for the sibling's benefit, per her wishes. We maintain them as a

distinct part of her estate, not subject to the other terms of her will. We manage these along with all her other assets and will continue to do so until her death.

Old North State Trust does not charge a separate fee for managing the two classes of assets; this is simply a part of the service we render to this client.

An equally important consideration for people who have no family is to consider the different scenarios that might come during their lifetimes. Should they become incompetent, who will take care of them? With the increasing incidence of Alzheimer's disease and other forms of dementia, this is a very important concern for many people.

In cases where clients have given us this role, we are able to coordinate with a nursing home, skilled care facility or home health agency for their care.

For instance, we have a client with dementia whose husband predeceased her, and she has no heirs close to her that she wishes to involve in her estate. She is in a skilled nursing facility and we arrange for her care so she has round-the-clock sitters and all the nursing care she needs. We also ensure that she will always get her medication, clothing, salon appointments, etc. in the manner she is accustomed to as she did prior to her move to the nursing home. We visit her regularly to make sure that she is being properly taken care of by the facility and their employees. When she passes, we will settle her estate, which will pass to various charities and distant family members as she directed in her will.

While circumstances, preferences and long-term objectives differ, the essential point is that thoughtful estate planning is important for everybody. People without close relatives to handle their final wishes, or whose families are not up to the task can count on professional trust managers to see that those wishes are carried out.

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