

## *Estate Planning for Minor Children*

Most parents live long enough to see their children grow up and have families of their own. It is unlikely that even one parent will die before a child's 18<sup>th</sup> birthday, and even more unlikely that both parents will die. But it does happen. For parents, therefore, guardianship is an important estate planning consideration. Parents must also consider how to provide support for their children as well as how it will be managed before children are mature enough to handle it themselves.

Selecting the **personal guardian** of a minor child is, for some parents, the most difficult decision they will make. That selection must take into consideration lifestyle, values, goals, and relationships of not only your family but also of the prospective guardian. And, there are practical considerations as well.



- Does the ideal candidate have a home large enough to accommodate your children?
- Will the guardian be able to provide the emotional support your children will need as a result of your death?
- Do your children go to private school, but the guardian's children go to public school?
- What if you name a couple and they divorce?
- Is the guardian's standard of living different than that to which your children are accustomed?
- Would your children be required to relocate, away from friends and school?
- Can your guardian afford to absorb the extra cost of having your children as part of their family?
- Do your children have pets that will also need a new home?
- What if your first choice for guardian is unable to act when the time comes?

The list goes on. If you imagine what it would mean for you to suddenly have a few more children to care for, you can begin to see what that means physically, emotionally and financially. Not all of the issues can be resolved in your estate plan but, with thought, some can. For example, we've had clients provide the funds necessary to increase the size of the guardian's home to accommodate the children. Or, provide travel money for children to visit friends they've had to leave behind. Consider a monthly stipend to be paid to your guardian to cover the increase in the water, food and entertainment bills. Taking on more children, even children who are already loved, is a big job. Through your estate plan, you can make it a little easier on those willing to care for your kids. And, you can make it just a bit easier for your kids.

You will also need to choose someone to manage your wealth until the children are mature enough to handle it themselves. At first blush, the **personal guardian** seems like the logical choice. But that's not always true. The **personal guardian** should be someone who will raise your kids the same way you would. The **trustee** of your child's inheritance should be someone who will manage the trust funds appropriately. They can, and often should, be different people.

In most states, a child officially becomes an adult on his or her 18<sup>th</sup> birthday. Most parents, however, are very reluctant to have substantial wealth in the control of one so young. Therefore, it is common to have a child's inheritance held in a trust until the child reaches an age of greater maturity. Please see the *Trust Planning for Children* tutorial.