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# Estate Planning Considerations in the Midst of the COVID-19 Outbreak

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While none of us are promised tomorrow, the Coronavirus outbreak has certainly made that fact more top-of-mind for most of us. In spite of the anxiety created by this pandemic, we are finding that estate planning continues to give our clients some sense of comfort knowing that, in the event they were to become incapacitated for a period of time or were to pass away, their wishes would be known and legally binding.

If you are in the beginning stages of creating an estate plan, we offer the following initial guidance for your consideration:

**1. Take Inventory of Your Assets and Obtain Beneficiary Designation Information.**

- Gather statements for your bank, brokerage and retirement accounts. Determine whether there are any pay-on-death designations or other beneficiary designations associated with the accounts.
- Gather your insurance policies and make a list of their cash values and death benefits. Determine who is listed on the beneficiary designations.
- Make a list of your real estate, including your personal residence and any mortgages.
- Make a list of any other valuables, including cars, jewelry, collectibles...etc.
- Make a list of any other debt and liabilities.

*Why is this significant?*

Among other reasons, the type of assets you have and how they are held will dictate how and to whom your assets will pass at your death. Keep in mind that some assets will pass by operation of law meaning that title automatically transfers at death, such as a house that is jointly owned with rights of survivorship. Other assets such as life insurance and retirement accounts are paid to your heirs pursuant to your beneficiary designations. Assets which are not distributed by operation of law or by beneficiary designation or other contractual arrangements at your death will go through probate, which is a legal process where the personal administrator of your estate will coordinate with the court to determine your assets, pay final bills and taxes, and distribute the remaining assets to your legal beneficiaries. Probate can sometimes be expensive and cumbersome, and there are some estate planning options to help you limit or avoid probate.

## **2. Decide Who You Want to Receive Your Assets**

- Do you have any particular items of sentimental or monetary value that you want to pass to particular persons? If so, make a list!
- How do you want your remaining property to be divided?
  - Do you want your assets to be divided equally in percentages?
  - Based on your assets, do you want certain property (like real estate) to go to one beneficiary and other property to go to other beneficiaries?
  - Do you want to give to a charity?
  - Do you want the beneficiaries to have immediate and unfettered access to the assets or would you like the assets to be held in trust for the beneficiaries' benefit and not distributed until a certain age, or even distributed in percentages at multiple ages?
  - Is one of your intended beneficiaries a person with special needs such that a supplemental needs trust may be needed?
  - Is one of your intended beneficiaries a person struggling with addiction or debt such that a trust may be needed?
- If you and the persons you have selected to be your beneficiaries all die at the same time, who would you select as your contingent beneficiary or beneficiaries?

### ***Why is this significant?***

While many people may think about who they want to inherit their assets, they often fail to create an estate plan to allow for their wishes to be carried out legally and in a manner that best protects their loved ones and promotes family harmony.

## **3. Start Thinking About Who You Want to Leave in Charge.**

- If you are living but are unable to make decisions or take action in relation to your finances, who do you want to manage your finances in your stead? If that person is unavailable, who would you want to name as an alternate?
- If you are incapacitated and unable to make health care decisions for yourself, who do you want to make those decisions for you? If that person is unavailable, who would you want to name as an alternate?

- Who do you want to wrap up your affairs after you pass away? If that person is unavailable, who would be named as an alternate?
- If you want to establish a trust for one or more beneficiaries, who would you want to manage those trusts? If that person is unavailable, who would be named as alternate?

***Why is this significant?***

The importance of your selection of Agents, Executors and Trustees cannot be overstated. You want to select people you trust for each role as they will be the ones making critical decisions in your stead either during your lifetime or after your death.

If we can offer assistance to you in creating a comprehensive estate plan tailored to your needs, please let us know. We would be happy to schedule a telephone conference with you, and depending on your time-frame, we can facilitate remote execution of your estate planning documents. In the meantime, be safe and well!

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Please visit our COVID-19 Resource Center for more information related to the Coronavirus outbreak.

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***Other COVID-19 Related Posts:***

- YM COVID-19 Resource Center
- Families First Coronavirus Response Act
- Employers and Coronavirus (COVID-19)
- COVID-19 Implications and Workers' Compensation

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