



A trust representative office of National Advisors Trust Company, FSB

## Monthly Update for Administration of Trusts from a Trust Administrator's Perspective.

---

*It is our hope that our Monthly Update will be helpful to you and your clients to better understand the administration of trusts from a Trustee's viewpoint.*

---

March, 2017

### **HAVE YOU GIVEN SERIOUS THOUGHT TO THE "WHAT IF'S"?**

Many people believe that they can use "joint tenancy with right of survivorship" or "payable on death" beneficiary designations to accomplish all of their estate planning goals without having to incur the expense for professional assistance.

Unfortunately, many times events occur which cause a completely different result than what was intended. In other words, no one considered the possible "what if ...".

### **RELIANCE ONLY UPON JOINT TENANCY WITH RIGHT OF SURVIVORSHIP**

Sometimes use of joint tenancy with right of survivorship ("JTWROS") is perfectly fine. However, relying exclusively on this method for your estate planning goals has numerous possible adverse outcomes. You may wish to consider the following:

Many times a parent will put an adult child on the parent's property, such as the parent's home, certificates of deposit, investment accounts, etc., assuming that when the parent dies, the adult child will then be the sole owner. But...

"What if" the adult child dies before the parent? Then the use of JTWROS accomplished nothing.

"What if" the adult child becomes incapacitated during parent's lifetime? Based upon what type of assets are involved, such as real estate, there may become a need for a court-supervised guardianship proceeding for the adult child.

"What if" the adult child has creditors, files bankruptcy or has tax liens? It is possible that the creditor, or a

bankruptcy trustee, or the tax authorities, may attempt to take the jointly-owned asset to satisfy the debt owing by the adult child.

"What if" the adult child gets into a divorce proceeding, and your in-law then claims some type of ownership in that jointly-owned property?

"What if" after parent puts adult child as a co-owner on an asset, such as real estate, the parent changes the parent's mind and wishes to dispose of parent's property in a different way? Parent is then in an awkward position of having to get the signature of the adult child, and if the adult child is married, the adult child's spouse's signature (in real estate transactions). Obtaining the signature of someone (and their spouse) for the purpose of removing them from ownership can be very awkward.

Assume parent has two adult children, one of whom lives locally, and the other lives out of state. Experience has taught that parents frequently want their children who care for them the most (i.e. live locally) to be able to "sign checks and pay all of my bills". Otherwise, assume the parent wishes that upon the parent's death, the parent's estate is divided equally between the two adult children. "What if" parent dies, resulting in the surviving joint tenant being the sole owner of parent's property? "What if" the adult child who then owns all of parent's property "respectfully declines" to divide all of parent's property with the adult child's sibling(s)? "What if" parent died, resulting in one adult child being the sole owner, and before that adult child could distribute parent's property among all of parent's children, the sole owner/adult child dies, resulting in the deceased adult child's surviving spouse being the sole beneficiary of the deceased adult child's estate? That

would result in the surviving spouse of the deceased adult child getting 100% of parent's estate, with the surviving children of parent getting none of parent's property.

### **SOLUTION**

As you can see, sometimes what appears to be the simplest and least expensive method and strategy for implementing an estate plan can have disastrous results.

I encourage you to speak with your legal advisor regarding the potential "what if's" mentioned above.

As a courtesy to you, and while we do not offer legal advice, at no cost or obligation to you, we would be happy to review your existing estate planning methods and strategies to give you a trustee's perspective of how your estate would be administered upon your death based upon how your estate planning is currently structured.

---

**Alyssa Kaiser, CTFA**, has over 21 years experience in trust administration and is Senior Vice-President of WealthTrust Oklahoma. Alyssa may be contacted at: (405) 241-1600 (office), or by email at [Alyssa@WealthTrustOk.com](mailto:Alyssa@WealthTrustOk.com).



*WealthTrust Oklahoma is the Oklahoma Trust representative office of National Advisors Trust Company, FSB, which currently has more than \$9 billion under administration. We hold a federal charter and are independent.*

---

**WealthTrust Oklahoma**

2952 Via Esperanza, Edmond, OK, 73013  
(405) 241-1600 (phone), (405) 241-1605 (fax)

Copyright 2017 by Alyssa Kaiser