

Great Expectation(s) Management: Estate Planning for Blended Families

As an estate planning attorney, I work with many married couples, young and not-so-young, who have children from previous relationships. One of the most important issues we tackle is how to navigate among the sometimes competing interests within a blended family. I see the results of good and bad planning in my work with recent widows, widowers, and adult children of blended families who are sorting through the process after a death. A good plan will provide clear direction in the event you are incapacitated and in need of a medical or financial fiduciary. A good plan will allow for a less fraught distribution among your loved ones after your death. If you and your spouse have integrated your families, it is important not only to meet with an estate planning attorney, but to have an honest conversation about your concerns and expectations. Consider these questions:

- What do you and your spouse feel your obligations are to each other and to your step-children?
- How can you divide your assets among your spouse, children, and step-children in a fair, but not necessarily equal, way?
- Who among your spouse and children should serve in fiduciary roles (e.g., Health Care Proxy, Attorney-in-Fact under your Power of Attorney, Personal Representative under your Will, Trustee of your Trust)?

These are not easy questions to answer, and this is a difficult topic for even the strongest marriage. There are, however, many strategies that can help prevent discord among your expanded family. I often identify separate assets that can be earmarked to provide for children, step-children, and a surviving spouse. I add inclusive language into Health Care Proxies, directing the named fiduciary to consult with the spouse or the children in order to prevent feelings of exclusion. I create Trusts that explicitly outline how assets are to be distributed among the surviving family members.

The most important planning you can do, however, is to manage expectations: your own and those of your loved ones. I regularly advise clients with blended families to sit down and draft a letter to their children explaining their overarching intentions. Such a letter, to be included with your estate planning documents, could include such sentiments as, “We intend to support each other first, even if there is nothing left for the children,” or “We intend to preserve the assets we brought into our marriage for our respective children.” This exercise is valuable for couples of any age. Managing expectations can prevent arguments, accusations, and false recollections after you are gone.

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