Parents with young children know that they need some kind of legal document to designate a guardian/conservator to care for their children if something should happen to them. However, estate planning for parents of young children really should include several more components.

No one wants to consider a future where they are unable to care for their children, but we all know that sometimes it happens. Knowing that your children are protected and that you've taken all necessary steps to provide for their future can help you feel confident going forward.

## Plans for Money

Children under the age of majority—and even those in their early adult years—are generally not equipped to manage financial affairs. Young children are not legally allowed to take many actions with respect to money. Parents need to leave money to their children in an effective manner and they need to ensure that someone competent will be managing that money.

One way to accomplish this is to establish a trust. You can incorporate a testamentary trust in your will or establish a trust during your lifetime. If you have a child with special needs or you want to establish an asset protection plan, you might want to set up an irrevocable trust.

A trust can provide funds for a guardian/conservator to meet your child's needs for the future. Because you can control how funds will be dispersed out of the trust, it can protect your child from predatory creditors and prevent your child from quickly depleting funds. It is important to choose someone you trust to manage the funds in the trust and to follow the terms of the trust. Because of the degree of responsibility, parents often choose a professional trustee to fulfill this role.

## Planning in Case You Become Incapacitated

Many parents consider what will happen if they were to die before their children are grown, but they don't think about what would happen if they were not killed but rendered incapacitated by an illness or accident. It is important to have documents

in place to provide for decision-making if you are not able to make or communicate your own decisions. You can have your estate planning attorney prepare a durable financial power of attorney to enable an agent to manage your finances and a health care power of attorney to allow someone to authorize medical treatment and make health care decisions on your behalf.

Or if you establish a revocable living trust to avoid probate, the trust document can include provisions to allow your successor trustee to handle your financial affairs in case of incapacity. If you don't take the right steps to prepare, in an emergency, someone would need to step forward and initiate guardianship proceedings to get authority to act, and the process is costly and requires considerable time and effort.

## Designating a Guardian and a Contingent

Of course, you also need to nominate a guardian to care for your minor children if it becomes necessary. In case something should happen to your designated guardian, it is wise to nominate alternates as well. Your attorney can include the guardian nominations in a will.

## Let The Nordhaus Firm Protect Your Children with the Right Estate Plan

Putting the right plans in place now can prevent worry and protect your children from an uncertain future. To get started, schedule a consultation with The Nordhaus Firm today.