

Estate planning for single parents requires special considerations

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Here's a fast fact: The percentage of U.S. children who live with an unmarried parent has jumped from 13% in 1968 to 32% in 2017, according to Pew Research Center's most recent poll.

While estate planning for single parents is similar to estate planning for families with two parents, when only one parent is involved, certain aspects demand your special attention.

5 questions to ask

Of course, parents want to provide for their children's care and financial needs after they're gone. If you're a single parent, here are five questions you should ask:

- 1. Have I selected an appropriate guardian?** If the other parent is unavailable to take custody of your children should you become incapacitated or unexpectedly die, your estate plan must designate a suitable, willing guardian to care for each child until the child reaches age 18 (the age of majority in most states).
- 2. What happens if I remarry?** Will you need to provide for your new spouse as well as your children? Where will you get the resources to provide for your new spouse? What if you placed your life insurance policy in an irrevocable trust for your children to avoid estate taxes on the proceeds? Further complications can arise if you and your new spouse have children together or if your spouse has children from a previous marriage.
- 3. What if I become incapacitated?** As a single parent, it's particularly important to include in your estate plan an advance health care directive (also known as a living will or health care power of attorney) to specify your health care preferences if you become incapacitated and to designate someone to make medical decisions on your behalf if you are unable to do so. You should also have a revocable living trust or durable power of attorney that provides for the management of your finances and legal affairs if you're unable to do so.
- 4. Should I establish a trust for my children?** Trust planning is one of the most effective ways to provide for your children. Trust assets are managed by one or more qualified, trusted individuals or corporate trustees. You specify when and under what circumstances funds should be distributed to your children. A trust is particularly important if you have minor children. Without one, your assets may come under the control of your former spouse or a court-appointed administrator.
- 5. Am I adequately insured?** With only one income to depend on, plan carefully to ensure that you can provide for your retirement as well as your children's financial security. Life insurance can be an effective way to augment your estate. You should also consider disability insurance. Unlike many married couples, single parents don't have a "backup" income if they can no longer work.

Review your estate plan

If you've recently become a single parent, it's critical to review your estate plan. We'd be pleased to help you make any necessary revisions.

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