

Frequently Asked Questions About Estate Planning

Practical Answers Advisors Can Share with Clients

Once clients understand the foundations of estate planning, the next step is addressing the questions that consistently surface in meetings. Advisors who can confidently navigate these conversations add clarity, prevent misconceptions, and help clients make informed decisions.

Below are several of the most common estate planning questions and how to answer them.

DO I NEED A REVOCABLE TRUST?

A revocable trust is not legally required. A client can rely solely on a will. However, in most states, a revocable trust simplifies administration, enhances privacy, and reduces overall friction during estate settlement. Even in states with relatively “easy” probate systems, probate still involves court oversight, time delays, and public filings.

Revocable trusts provide:

- Privacy
- Greater administrative efficiency
- Structured legacy planning
- Reduced likelihood of court involvement

You may need slightly more upfront work to establish and fund a trust, but the long-term administrative benefits often outweigh that initial effort, especially for clients with meaningful assets.

If a client has sufficient assets to warrant professional financial advice, they likely have sufficient assets to consider a revocable trust.

CAN I JUST USE BENEFICIARY DESIGNATIONS INSTEAD OF A WILL OR TRUST?

Technically, yes.

Beneficiary designations (transfer on death, pay on death, life insurance beneficiaries, retirement account designations) can transfer assets directly and avoid probate in simple situations.

But “simple” is the key word. Using beneficiary designations alone works best when:

- There are no blended family dynamics
- All beneficiaries are alive at the time of death
- There is no need for contingent or layered planning
- No asset protection or delayed distribution is required

Problems arise when:

- A named beneficiary dies before the account owner
- Institutional default rules conflict with client expectations
- Minor children are involved
- Distribution timing needs to be controlled

Each institution’s account agreement governs what happens if a beneficiary predeceases the owner, and those rules are not always consistent. Without a coordinated estate plan, outcomes may differ from the client’s intent.

Additionally, beneficiary designations do not appoint decision makers, provide incapacity planning, or establish structured control. They are tools but not substitutes for a comprehensive estate plan.

WHO CONTROLS MY CLIENTS’ ACCOUNTS?

Control depends entirely on title and timing. While a client is alive and competent, they control their own accounts.

If incapacity occurs:

- A trustee controls assets owned by a trust
- A properly executed durable power of attorney controls individually owned assets
- Beneficiaries have no authority before death

After death:

- Trustees control trust assets
- Executors control probate assets (once appointed by the court)
- Beneficiaries still do not control accounts until assets are distributed

It is important to emphasize that being named as a beneficiary does not grant authority. Beneficiaries have no control before death and no administrative authority afterward.

Without a trust or power of attorney in place, families may face a temporary period where no one has authority until a court appoints someone. That process is often slow, public, and expensive.

Proper coordination between trustees and powers of attorney ensures continuity of control during both life and death transitions.

HOW OFTEN SHOULD CLIENTS UPDATE THEIR ESTATE PLAN?

A general rule of thumb is to review estate planning documents at least every five years.

In addition, estate plans should be revisited after major life events, such as:

- Marriage or divorce
- Birth or adoption of children
- Death of a beneficiary or decision maker
- Significant increase in wealth (inheritance, business sale, liquidity event)
- Relocation to a new state

Reviewing the plan also ensures that named decision makers are still appropriate. As families age, individuals who were once logical backups may no longer be the best choice. Periodic review ensures the plan remains aligned with a client's current situation.

THE BOTTOM LINE

Frequently asked questions often reveal deeper misunderstandings. For advisors, being able to address these core questions reinforces your role as a long-term planning partner and helps clients avoid common pitfalls before they become costly mistakes.

To learn more about this topic, please watch our [Office Hours video](#) or reach out to your investment consultant.

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