

4 Reasons Why Everyone Needs a Will

Hint: "Because you're wealthy" isn't one of them.

For generations children have been asking their parents, "Are we rich?" And for generations parents have offered the same answer: "We're comfortable." Do less wealthy individuals or investors need a will as much as affluent ones?

The following are four compelling reasons why everyone likely needs a will.

#1 State laws differ

When a person dies without a will, a probate court will distribute property according to the laws of that state. This process is called "intestate succession" or "intestacy". However, every state has a different interpretation of intestacy, so how an estate is handled depends on where the person lives. If you have no children, your estate likely will pass to your spouse. However, if you have children, your estate may be split between your spouse and children in varying degrees, depending on state laws. Bear in mind, too, that assets with a designated beneficiary – such as an insurance policy or 401(k) plan – will not be subject to the probate process, and those designations will supersede any instructions included in a will.

#2 Who will take care of your children?

If you die without a will, the state's probate court will determine who takes care of your children, known as the guardian. Even though you might assume your spouse is the logical choice, imagine the consequences if both parents die in the same car wreck. It's important for each parent to write a will in order to select their children's guardian.

#3 Who will manage their estate?

If you die without a will, the probate court will approve not only who gets the heirloom jewelry and custom-rebuilt '57 Chevy, but also assign the person who will make those decisions – known as the executor. The executor is responsible for compiling the estate inventory, paying off debts and filing the estate's tax return – so it is no small job. You should write a will in order to select the person you most entrust to implement your wishes, and specifically name any individuals or organizations to whom you would like to leave certain possessions.

#4 Privacy, expediency and accuracy

Without a will, the probate process can take months to complete – meanwhile debts may pile up with no assets available to pay them. And all probate proceedings are publicly available. By naming a corporate trustee, matters are handled exactly as instructed in the will – with no potential for familial ties to influence decisions.

For every man – from commoner to king – his estate is his castle. Writing a will is a good way to ensure that your worldly goods, no matter how small, are handed down to the appropriate people as quickly and efficiently as possible.

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