

Four Key Considerations for Parents

Notes from 'Building and Protecting your Nest'

Tippie College of Business

1. Have a Will

Within your will make sure to name your preferred guardian of your children, the person who will provide for their physical care. You can name a family member or a close friend. Note that this is preference, it will be up to a judge to consider whether or not your named person is the best choice. The judge will not have all your life experiences guiding them. Therefore, if there is a seemingly obvious choice that in reality would be a bad fit, make sure to mention that possibility to your attorney.

2. Create a Trust to protect your children

Your Will provides for the initial disposition of your assets in the first year after your death. If you have small children you will want to make provisions beyond that. A Trust can set terms for the ongoing management of your children's inheritance past the age of 18. ***HIGHLY RECOMMEND*** setting rules for a child's access to cash while they are young and potentially immature. Provide for their receipt of funds in chunks when they are older, for example 25, 30 and 35.

You will want to give careful consideration to your Trustee, or the person in charge of the management and distribution of the inheritance. You can name an individual, but I would recommend naming someone other than the guardian. For added security, you may want to name a corporate fiduciary such as MidWestOne Bank.

3. Consider establishing separate terms for your spouse

You trust your partner, but do you trust who they remarry if you are gone? In some situations it might be beneficial to provide for the surviving spouse's welfare but also protect your children's inheritance.

4. Get Insurance

For many young families, the proceeds from Life Insurance will be the funds that protect and ensure your children's future if you are not here. Once you purchase a policy make sure to direct the proceeds to your TRUST.

BONUS: Don't Delay! A Will and Trust can and should be changed and updated as life goes on. Don't worry about getting it perfect the first time, be like NIKE and *Just Do it*. If you need a referral for an attorney please contact me at Blegue@midwestone.com