



Estate Planning for Single Parents Requires Special Considerations

According to Pew Research Center's most recent poll, the percentage of U.S. children who live with an unmarried parent has jumped from 13% in 1968 to 32% in 2017. 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 special attention.

Of course, parents want to provide for their children's care and financial needs after they're gone. Below are a few issues that single parents should address:

Five Questions to 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 them. In addition to much consideration, there should be open and honest discussions with the potential guardian about this role being included in one's will.
- 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 kids to avoid estate taxes on the proceeds? Further complexities 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 a living will, advance directive or health care power of attorney to specify your health care preferences in the event you become incapacitated and to designate someone to make medical decisions on your behalf. You can consider having a revocable living trust or durable power of attorney that provides for the management of your finances in the event you're unable to do so.
- 4. Should I establish a trust for my children?** Trust planning can be an effective way 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 kids. A trust may be 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 or to mitigate some or all of your estate taxes. Another consideration can involve disability insurance. Unlike many married couples, single parents don't have a "backup" income in the event they can no longer work.

Review your estate plan

If you've recently become a single parent, it's essential to review your estate plan. Contact your Anchin relationship partner or Jared Feldman, Leader of Anchin Private Client, at 212.840.3456 or info@anchin.com for further information or guidance.



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