

Personal Business

Many people neglect to get their financial affairs in order in time

Sunday, August 19, 2007

By Len Boselovic, Pittsburgh Post-Gazette

When you're dead and gone, will your survivors be able to rest in peace?

The failure to leave behind a will and detailed information regarding the whereabouts of financial records they'll need to close your books can result in aggravation, unnecessary expense and missed opportunities.

Yet financial advisers say many people neglect to put their affairs in order before cashing in their chips.

"None of the consequences are felt by you. I think that may be part of the reason people aren't doing it," says Stuart Ritter, a certified financial planner for T. Rowe Price.

Much of the lack of planning can be attributed to the unsettling nature of the subject matter.

"You're talking about your own death," says Collin E. Harris, chief executive officer of YouDeparted, an Incline Village, Nev., firm that offers an online financial records organizer.

The first place to start is a will -- a legal document that outlines which of your heirs gets what. The cost of having one prepared depends on which attorney you hire, whether they charge a flat fee or an hourly rate, and how complex your finances are, says Jack Meck, an estate attorney with Eckert Seamans, Downtown. Those with more than \$2 million in assets -- the current threshold for triggering federal estate taxes -- should expect to pay \$1,000 or more, he says.

A will isn't needed to determine who gets some of your assets. If you own your home, investments or other property jointly with your spouse or someone else, giving them what's called "right of survivorship," the property automatically goes to them upon your death.

Also, money in your 401(k) and IRA accounts will go to the beneficiaries you name. However, the rules governing those distributions can be complex and, depending on the circumstances, tax or legal help may assist survivors in making the wisest decisions, says Sam Goncz, an estate attorney for Buchanan Ingersoll & Rooney, Downtown.

Among other things, a will determines who gets any property you own in your name only. If you don't have a will, state law determines who that property will go to.

"Most likely, it will not coincide with your wishes," Mr. Goncz said.

He said wills should be reviewed periodically in light of changes in your life or in your assets. As for where to keep your will, there's no single school of thought, Mr. Goncz said. Some



Daniel Marsula, Post-Gazette
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choices are to keep it with your attorney, in a safe deposit box, or in your home. While keeping it at home may be convenient, it may not be the safest option, Mr. Meck said.

Wherever you keep it, family members you trust should know where to find it after you die. They also should know where to find information about your bank accounts, investments and insurance policies. Even providing information on bills that have to be paid or services that have to be canceled can spare your survivors time and expense, Mr. Ritter said.

"Get the information together in one place and let people know that it exists and how to find it," he said. "Even if you never update it, at least they have a snapshot."

There are plenty of books that will help you determine what records to keep and how to organize them. Investment firms' Web sites also can be a good resource. A free "Family Records Organizer" is available from T. Rowe Price. The CD-ROM allows individuals to store information about their investments and other property, credit cards, insurance and loans, as well as medical information and estate and funeral planning.

"Doing it electronically makes it easier to update, change and share those kinds of things," Mr. Ritter said.

He said the information can be accessed by only someone who has the CD and a password, providing protection against unauthorized use. You also can print portions of the records for family members without revealing account balances or who the beneficiaries are, Mr. Ritter said.

To order a copy, go to www.troweprice.com/getorganized. (The CD ROM doesn't operate on Macintosh or Windows Vista operating systems, but the Baltimore investment firm is working on that, says spokesman Robert Benjamin.

Mr. Harris started YouDeparted (www.YouDeparted.com) after his father died unexpectedly, leaving him and other family members scrambling for his records.

"No one knew what he wanted. No one knew where things were," he said.

In addition to storing financial and other information that can be retrieved if your paper records are destroyed or after you die, YouDeparted allows you to compose messages, photos and video or audio files that can be sent after your death; leave information on what kind of funeral you want and how you want to be dressed; or write your death notice in advance.

"Our service starts where a will or trust ends," Mr. Harris said. "A lot of people are using this as a personal organizer."

YouDeparted is offering 90-day free access to a limited version of the service. Annual fees range from \$9.95 to \$79.95 based on how much information you want to store and how much of it you want to be encrypted, Mr. Harris said.

By Len Boselovic

Len Boselovic can be reached at lboselovic@post-gazette.com or 412-263-1941.