PRIVATE WEALTH MANAGEMENT

TITLING ASSETS

Don't Miss This Critical Aspect of Estate Planning

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While having an up-to-date will is a vital step in estate planning, it's also important to ensure your financial assets and property are titled properly, and that you have designated the correct beneficiaries.

Titling assets, including individual and joint ownership or making the assets part of a trust, determines who will receive the assets. Forgoing this part of your estate planning can lead to increased taxes, disagreements among heirs, and even the undesirable need for probate.

When making titling decisions, it is important to consider marital status, exposure to any possible liabilities or creditors for property owners, inheritance prospects, and Medicare benefit eligibility. Carefully evaluate each option, as well as the implications for each.

INDIVIDUAL OWNERSHIP

The simplest way to hold title to a property or investment account is individually. When the title to an asset/account is held freely and clearly by a single individual, that person maintains the sole right to transfer the title of that asset. Assets titled in this way are fully subject to the claims of an individual's creditors and are considered part of their estate when they die.

Individuals owning property or investment accounts may establish a Payable on Death (POD) or Transfer on Death (TOD) designation to ensure assets are transferred directly to their designated beneficiary without going through probate.

JOINT OWNERSHIP

More than one individual holds title to the property in these arrangements, and there are multiple options to choose from. Each state has its own specific requirements for which type of deed may be used and how titles can be held, so it is important to consult with a legal advisor in your state when choosing the best option.

TITLING ASSETS
Don't miss this critical aspect of estate planning *continued*

Joint Ownership continued

1. Tenancy in Common (TIC)

- Every individual on the deed has a separate share
- No right of survivorship when one tenant dies
- Each owner can act on their share without the consent of the others
- Can have unequal shares

2. Joint Tenants with Rights of Survivorship (JTWROS)

- Each individual owns an undivided share in the entire property
- Provides survivorship rights so that when one owner dies, the remaining owners absorb that person's share
- All owners have an equal share in the property
- Any owner may freely transfer their share, but doing so nullifies the right of survivorship

3. Tenancy by the Entirety (TBE)

- Only available to legally married couples
- Each spouse deemed to own an equal and undivided 100% share
- Provides survivorship rights
- Some creditor protection against claims of the creditors of just one spouse, although it is subject to the claims of a creditor of both spouses
- Transfers require consent of both spouses
- Subject to probate at death of survivor unless put into a trust
- Terminated when spouses mutually agree to end the arrangement, when a spouse dies, or upon divorce

TRUST ASSETS

There are many types of trusts to choose from, and each can help ensure your assets are distributed according to your wishes after death, as well as help protect assets from estate taxes and avoid probate costs.

- Property can be put into a trust where a Trustee will manage the property in the trust for the benefit of the beneficiaries
- The terms of the trust will dictate the distribution of assets
- Inclusion in the grantor's estate and creditor protection depend on the type of trust chosen

GW&K'S PRIVATE WEALTH MANAGEMENT TEAM

We have a team of private wealth advisors to help you manage your assets and plan for the future. Our Private Wealth services include guidance on wealth transfer planning, lifestyle, and overall asset allocation planning services. We encourage you to contact your relationship manager to discuss your goals and the potential opportunities to meet them.