

Estates Should Have ONE Executor - Transcript

Tom Mullooly: In Episode 139, we're going to cover some of the things that have happened around here at Mullooly Asset this week. You won't believe it, stick around. Welcome to the Mullooly Asset Show. I'm your host Tom Mullooly. This is Episode number 139. Thanks for tuning in.

I don't think you'd believe all the kinds of things that happened around here this week, but this is a normal week for us here in the office. Some of the things that we've been working on, we had a very interesting story that came in from a client who talked to their accountant about whether they can stay in New Jersey while they're retired. We had another situation where a client died unexpectedly and left a big mess behind. Then we found an estate with two executors, not one, but two.

I want to jump to the situation where the client passed away. This was very unexpected, young client. The problem was that this client had never updated her beneficiary information at work. Unfortunately, she had gone through a divorce about a year and a half earlier. We kept reminding this client, "Hey, update your beneficiary information. Don't forget, update your beneficiary information." Now the ex-husband is going to be inheriting the pension, the 401(k) and all of the life insurance. Take your time and check your beneficiary information. This is really important because the time you're going to need this, you'll be dead. Do it while you're alive.

We had a situation where a client called in, this is actually kind of funny. A client called in, and she had a conversation with her CPA. The conversation went something like, "Do you think I'll be able to retire in New Jersey on a half a million dollars," which she had saved for retirement. The accountant snickered at her. His response was basically, "No." Now I just want to stop and think about this for a second. First of all, I think this guy is a jerk for responding that way. Someone just doesn't have a million dollars just land in their lap. They worked really hard to accumulate that money, but the more important thing is that accountant doesn't even know this client's numbers.

If you don't know someone's numbers, you'll never be able to give them some guidance. That's why we start with all our new clients, we start with a balance sheet. We start with a cash flow projection, so we know what your living expenses are like. Then we'll be a little more educated and be able to say, "Yeah, you can do that." It's a real question and a real conversation that a lot of people are having, but I thought it was very flip of this CPA to just dismiss this and say, "You can't do that, you're not going to have enough money." You have to know how the math works. That's really, really important.

The other situation that I wanted to share with you. We have an estate that's going on right now where there are two executors, co-executors. Now sometimes parents do this because they want their kids to get along. Folks, can't you just write a letter and ask them to get along? Let me explain what happens. First of all, more than anything else, you both have to agree on how the assets are going to be distributed. That's a real problem. We've seen families torn apart or families that were already apart never get back together because of situations like this. Both

executors have to sign every single document that's involved in the process, and it's not a single piece of paper, it's more than that.

Both have to get the taxes done on this. There's a lot going on with this thing. We've also seen situations in the office where people have their daughter and son signed up, both of them to be their financial power of attorney. Look, whether it's financial power of attorney or your executor for your estate, this is the number. It's just one, just one person. These are the kind of things we deal with on a weekly basis when it comes to estates, when it comes to planning, when it comes to updating your beneficiaries. These are things that sometimes people do only once in their lives. If you've got questions on these kind of topics, get in touch with us. Be happy to help you out.

That's Episode 139. Thanks for tuning in. Catch you on the next one.