



GREAT PLAINS

Trust

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What is Guardianship and When Do I Need It?

You have probably heard the term guardianship but may not know exactly what that entails. Perhaps you have seen the movie “I Care a Lot” about a court-appointed legal guardian who defrauds her older clients and traps them under her care.

Guardianship is a legal relationship between the guardian (a competent adult) and the ward – a person who is impaired in some way that they are no longer able to manage their own affairs. In order to have a guardian appointed, someone must petition a court to have the ward declared incapable of making his or her own decisions. The court will appoint an attorney to represent the proposed ward, and a hearing must be held which the ward has a right to attend. If the court agrees that the ward is incompetent, the court will appoint a suitable legal guardian. It is important to keep in mind that a person cannot be declared incompetent merely because they are making irresponsible financial decisions but only if they lack the capacity to make sound decisions.

Once the court appoints a guardian, the ward no longer has authority to sign any legal documents or enter into any contracts. The guardian will have to act for the ward.

You may have also heard the word conservator. A conservator may be appointed by the court only to handle the finances of the ward. This may or may not be the same person who is appointed guardian over the person. The guardian and/or conservator are expected to keep an accounting and must have it approved by the court on a yearly basis together with a report on the condition of the ward.



Final Checklist: Information for Loved Ones

The time following the death of a loved one can be overwhelming. It is an emotional time and there are many tasks and details that need to be handled. Great Plains is experienced in working with families facing the disability or death of a loved one and can help your family navigate through these difficult transition periods. Having professionals involved in handling estate and financial affairs can be a significant relief as the family grieves and manages other matters.

In addition, families often underestimate all that is involved in serving as Trustee of a trust and unintentionally create undue burdens for loved one's appointed; appointing Great Plains instead eliminates this risk. Our stated mission over the years has and will remain the same: to serve families by continuing to meet their multi-generational wealth management needs for generations to come.

Below is a checklist for handling the final affairs of a loved one upon their death:

- Notify immediate family and friends.
- Locate the loved one's estate plan documents.
- Make final arrangements for the funeral/memorial services according to the wishes of the deceased.
- Maintain records and receipts of all payments for funeral and other final expenses.
- Obtain 5-10 Death Certificates.
- Contact the attorney who drafted the estate plan and other professional advisors. Discuss the need for trust or probate administration.
- Gather financial records, property titles, and personal identification documents.
- Gather and secure all assets and property interests of the deceased.
- Gather bills and cancel subscriptions and services. Close online accounts.
- Monitor phone messages, emails, collect mail and notify post office of the loved one's death.
- Provide death notices to the following: pension services, employment benefits, DMV, Social Security Administration, Medicare, health, medical, dental, home, and auto insurers, credit card companies, financial institutions, clubs, and organizations of which the deceased was a member.

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Guardianship (continued)

While guardianship may be necessary in certain circumstances, it is not ideal. If the proposed ward objects to the



guardianship and attends the hearing, it can be a very uncomfortable situation for the family. There is also the expense of the court proceeding and attorneys' fees. In addition, the reporting requirements to the court can be onerous, and the guardian may have to seek the court's permission for certain financial transactions such as selling the ward's home if needed.

The best way to prevent the need for a guardianship proceeding is to execute a general durable power of attorney before you are incompetent. If you become incapacitated and have executed a power of attorney, guardianship will not be needed because the agent under the power of attorney has authority to act for you. A power of attorney allows you to choose the agent who will act

on your behalf. Since you are choosing your agent, you will hopefully avoid the nightmare situation of the guardian abusing his or her power and draining your finances.

If you have a power of attorney but have not reviewed it recently or if it is more than 10 years old, you may want to meet with your attorney and execute a new power of attorney. Not only is it a good idea to do this in order to avoid future snags with banks, but often the laws have changed and the document should be updated to incorporate the changes. You may also want to change who is appointed as your agent because the person you previously appointed has either passed away or has become somewhat incapacitated.

Different Strokes for Different Folks

--When Differential Treatment is the Best Plan

In our last newsletter we discussed fairness in estate planning and pitfalls to accidental unequal or unfair treatment among loved ones. This article will discuss the opposite side of the coin: intentional disparate treatment. In other words, when should you intentionally choose to treat some heirs differently than others? These are some common reasons:

1) Age or immaturity. Leaving a large inheritance to an over-18, but still too-young heir may lead to fun times for her/him in the short run, but not be best in the long run. In the alternative, leaving the money in a trust for the heir's benefit is generally a better idea. Most trusts limit or withhold distributions to anyone under 21, but you can tailor your trust as you see fit, including distributions at certain ages or milestones, such as graduation from college. This could mean disparate treatment among older and younger beneficiaries at your death, but for good reason.

2) Poor money management. If you have concerns about a specific loved one's spending habits or financial decisions, you are not alone. A trust can be a great tool for protecting loved ones from themselves. This may require disparate treatment, however, if you choose to leave other heirs their shares outright.

A trust allows you to appoint a trustee to 1) make decisions about the money at the trustee's discretion, or 2) carry out your own rules, set forth in the trust document, as to how it may be spent. For example, you can limit

distributions for specific purposes such as purchase of a home or educational expenses. You can also require that certain conditions be met before distributions are made.

3) Special needs. If you have a loved one with special needs, there are several considerations which may require unique treatment. For one, an individual will lose eligibility for certain government benefits, including Social Security Income for disability benefits, if her/his resources exceed certain amounts. So, for example, if you have one child with special needs and list that child along with your other children as equal beneficiaries on an account, it could interfere with the child's ability to receive benefits.

There are also several types of trusts that can be established for the benefit of a loved one with special needs. One of the most common is a third-party special needs trust, which provides an opportunity to leave someone with special needs a fair share without causing her/him to lose benefits. In short, it involves placing the share in trust, appointing a trustee, and limiting the trustee to distributions only for items and services not covered by benefits with no distributions directly to the beneficiary.

4) Credit and legal issues. Threats of credit/debt problems, legal proceedings, and divorce are also important considerations. Trusts can also provide protection from these claims. Therefore, even if you choose to leave shares

to some beneficiaries outright, you may still want to use a trust for any that may be especially vulnerable to creditors or legal claims, including divorce.

5) Substance abuse. Having a loved one, such as child, with substance abuse problems raises several concerns: the child may squander an inheritance on drugs or alcohol, the money could harm the child by enabling her/him to buy substances, or the child may become the victim of opportunist "friends." The best solutions involve providing a safety net and incentives for responsible decisions.

Leaving the child's share in trust is a common solution. The trustee can monitor distribution amounts and how the money is being spent. Depending on the severity of the problem and amount of control you wish to keep, you may even require drug testing as a prerequisite to distributions or require that distributions be made on the child's behalf, rather than directly to the child.

The key in these situations is to work closely with your attorney to make good, intentional decisions specifically tailored to your own needs. While fairness is an admirable goal in estate planning, differential treatment is sometimes the more thoughtful and loving approach. Determining how and when to communicate your plan is also a key consideration. Carefully navigating any disparity can go a long way in preventing feelings of unfairness, disputes, and overall family discord.

Money Markets Offer Attractive Alternatives to Bank Savings Accounts

What are you earning on your cash at the bank currently? The money market fund offered to our private wealth management clients is currently yielding significantly more than an average bank deposit after the most recent Federal Reserve interest rate increase. If you have excess cash holdings above your estimated living expense and emergency cash reserve needs, we encourage you to give us a call to discuss your options.

Moving excess cash into a money market fund can help protect your future purchasing power impacted by recent inflation as yields on money market funds are higher than current yields on an average checking/savings account at most banks. By investing your excess cash into the money market fund we offer, you can take advantage of the highest money market fund yields in over 15 years.

Here are some key benefits of investing in money market fund offerings:

- Higher Yields: Earn higher yields, significantly surpassing the low interest rates generally offered by bank checking/savings accounts.
- Liquidity: Access your funds easily, allowing you to maintain financial flexibility.

- Professional Management: Our skilled team can actively monitor and adjust your portfolio to seize investment opportunities if interested.

There are also risks when investing in money market funds compared to bank checking/savings accounts.¹ Investors should consider the investment objective, risks, charges, and expenses of a money market fund carefully before investing. We can help you understand these benefits/risks.

Don't miss out on this opportunity to optimize your returns. Contact our office at 913-831-7999 to schedule a meeting to learn more about how the money market fund offerings can work for you.

¹ An investment in a money market fund is neither insured nor guaranteed by the FDIC or any other government agency. Although the money market fund seeks to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in a money market fund.



Our Mission

To be a premier provider of wealth management and trust services to families across generations. We shall deliver responsive, reliable, and informed service combined with a commitment to achieving the stated goals of our clients and their families. We shall, at all times, deal honestly and respectfully with all clients and associates.

GREAT PLAINS *Trust*

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