

Estate Planning Considerations for Millennials

Millennials - those born between 1982 and 2000, according to the U.S. Census Bureau - now represent over 25% of the country's population and outnumber the Baby Boomers. Currently ranging from young adults to those in their mid-30s, Millennials of different ages have shared defining experiences that can shape their current life and estate planning needs, including special planning goals for children, pets, digital assets, student loans and philanthropy. Whether you are a Millennial wondering why you need an estate plan or an advisor looking to better assist your Millennial clients, consider the following:

Millennials Need a Durable Power of Attorney, Patient Advocate Designation and HIPAA Authorization

Legal adults, no matter how young, need a Durable Power of Attorney, a Patient Advocate Designation and a HIPAA Authorization. A Durable Power of Attorney names an agent to act on your behalf with respect to financial and other decisions in the event of your legal incapacity. A Patient Advocate Designation and HIPAA Authorization spells out end of life wishes and names a patient advocate to act on your behalf with respect to medical decisions if you are unable to meaningfully participate on your own. When you become a legal adult, your parents no longer have this legal role; if you haven't named an agent, a probate court proceeding can be required before someone is able to act on your behalf.



Millennials May Need a Trust and/or a Last Will and Testament

The need for testamentary documents will depend upon the extent of your assets, the type of assets involved and your goals for those assets. For example, if all assets can be transferred via joint ownership or beneficiary designation, such as a bank account, these documents may not be essential. The need for these documents should be assessed with an estate planning attorney.

Millennials Need a Plan for their Digital Assets

Millennials grew up online and are the first generation to be considered "digital natives". From social media and blogs to email and online banking, it's important to take an inventory of your online presence so your wishes can be honored. Maybe you want your Facebook page memorialized or a financially successful blog continued. Maybe you want to give a relative access to an ancestry or genealogy research account. No matter the asset, it's important to keep a secure list of user names and passwords with a corresponding instruction for the account. Talk to your estate planning attorney about who should wind up your online presence after death or monitor it during incapacity, what level of access you want your agent to have, and how any "online tools" such as Facebook's Legacy Contact or Google's Inactive Account Manager will impact your estate planning instructions.



For Millennials with Children...

In addition to the above, anyone with minor children needs to name a guardian and conservator for the children in the event of the death or incapacity of both parents. A conservator handles the finances on behalf of the children, and the guardian is the person with whom the children will live. The guardian and

conservator may be the same person, or may be different individuals. Further, if you have a trust for the benefit of your children, a conservator (which is subject to court supervision) should not be needed.

If you have specific ideas as to how an inheritance should be spent and want to place restrictions on such amounts left to children, a trust is the proper vehicle to accomplish those goals. Common goals include financing education (so children will not experience the often crippling student loan debt experienced by their Millennial parents), protecting funds from use until children are old enough to make wise financial decisions and protecting funds from children's creditors - including future ex-spouses. Depending on your goals and assets, insurance coverage should be reviewed for sufficiency.

For Millennials without Children...

Your priorities for estate planning will likely be very different if you do not have children. You may be less concerned with ensuring an inheritance in favor of prioritizing the best possible care and comfort for you and, if married, your spouse (and you likely have greater assets to pay for that care because you don't have the expenses associated with children). You might also prioritize planning for charitable goals, financially helping nieces and nephews and/or planning for the future of any pets who may outlive you.

For Millennials with Pets...

Without a legal plan for your pets, a cherished animal could end up with an unintended caregiver, in a shelter or euthanized. While pets are property under the law, a pet trust - where a pet is treated as a beneficiary and not as property to be distributed - can be an important part of your estate plan.



For Millennials with Student Loans...

Knowing the differences between federal and private student loans is imperative. Most notably, federal student loans are generally forgiven upon death whereas private lenders will pursue an estate for amounts owed by deceased borrowers. Before refinancing your federal student loans into private ones, consider the cost of the extra life insurance you will need to purchase to cover the debt, and if you have already refinanced, be sure that your insurance coverage is adequate so that amounts intended for your family do not instead pay back creditors. When planning for student loan forgiveness and adequate insurance coverage, don't forget to account for any associated cancellation of debt income. The income tax on cancellation of debt income regarding student loans forgiven due to death was eliminated by the 2017 Tax Cuts and Jobs Act. This change is set to expire at the end of 2025 unless extended by Congress. In all cases, be sure to discuss the extent and type of your student loan debt and your repayment plan with an estate planning attorney.

For Charitably Minded Millennials...

If you have charitable goals, even if you do not feel you currently have the resources to make a plan for an impactful gift, discuss these goals with an estate planning attorney. He or she will be able to make both standard and creative recommendations on how you can accomplish philanthropic goals in your estate planning.

In addition to the above, Millennials value advisors who involve them in planning and decision making, who communicate quickly and effectively in convenient means like email and texts, and who understand not only their needs and concerns, but their generational and individual values and goals. Millennials interested in learning more about estate planning should contact [Rebecca K. Wrock](#) or any other of our Couzens Lansky [Estate Planning Attorneys](#). Advisors interested in better helping their Millennial clients may be interested in Couzens Lansky's Estate Planning and Millennials Continuing Education Seminar. [Contact us](#) for more information.