

# PLANNING CORNER

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## Look Ahead 18 Months

**Consider your cash requirements over the next 18 months. Anticipate major expenditures in addition to your regular budget. Keep enough cash in a money market fund and/or other short-term accounts to cover three months regular bills plus major expenses such as college tuition, car purchase or home repair.**

## Joint Ownership Can Cause Problems

Many people think joint ownership will solve estate-planning problems by providing a simple way to pass on property without attorneys, wills or probate. In some cases joint ownership is good. It usually works best between husband and wife where the estate is not large and it does not cause problems such as those described below.

Joint property passes directly to the survivor. Your wishes as expressed in your will are by-passed. The survivor has all rights to the property and can squander it or otherwise use it in ways that would not please you.

Titling property in joint names can expose it to both federal and estate gift taxes. In larger estates, joint property could also be subject to estate taxes twice, once at the first person's death and again when the second person dies. A good estate plan will avoid this double taxation wherever possible.

Even while you are still alive jointly held property may be accessible by the other joint owner's creditors, thereby placing your property at risk. Some forms of joint ownership can expose your property to mismanagement or use without your permission by the other joint owner.

Before you place too much property under joint ownership, you should consult your attorney to be sure it does not adversely affect your current financial situation or estate plan. This is especially important where the potential joint owner is not your spouse.