

What in the Heck is Probate?

Probate, refers to the court procedures to validate a will and to properly transfer ownership from the deceased owner to others.

Certain assets are required to pass through probate and others are not. Assets not required to go through probate include retirement assets and life insurance with beneficiaries, assets owned jointly with right of survivorship, and assets in trust. Assets that are required to go through probate are assets that do not transfer automatically to the new owners at death. These assets include assets owned individually by the decedent or assets owned as a tenant in common.

Is Probate Good or Bad?

Advantages of Probate

The major advantage of the probate process is that a court reviews how the assets in a will are distributed in order to ensure that the wishes of the decedent are followed.

Disadvantages of Probate

1. The probate process can take many months or even years to complete.
2. While probate is proceeding, creditors have the right to assert claims for payment.
3. All probate proceedings are a matter of public record since the proceedings take place in a public court. This means that personal assets and personal information is made public.
4. Court fees, attorney fees, and appraisal fees can all add up to make probate a very expensive procedure.

Through proper estate planning probate can be avoided even for multi-million dollar estates. If you are interested in learning more about estate planning please give The Ruboyianes Company a call to discuss your personal tax situation.