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The Estates of Carrie Fisher and Debbie Reynolds: Planning for the Unthinkable

BY EILEEN Y. LEE BREGER • FEBRUARY 1, 2017

At the end of 2016, we saw two tragic deaths in one celebrity family. First, Carrie Fisher of Star Wars fame passed away on December 27, 2016, and then her mother, Hollywood legend Debbie Reynolds died the next day. Within the span of 24 hours, the family lost two generations back to back. Although no inheritance controversies were made public after Fisher's and Reynolds' passing, attentive estate planning can minimize the negative effects of unexpected deaths.

Carrie Fisher was unmarried at the time of her death and is survived by her 24-year-old daughter, Billie Lourd. Ms. Lourd will likely be inheriting Carrie Fisher's estate as well as her mother's portion of Debbie Reynolds' estate. In many cases, grandchildren with a predeceased parent will receive their share "by right of representation," which means that the grandchildren will divide the share that the parent would have received from the grandparent.

Although the personal representative (or executor) of Carrie Fisher's estate does not have to worry about a conservatorship because Ms. Lourd is not a minor child, many families that do not plan properly will encounter needing a conservatorship for a minor child beneficiary when the primary beneficiary dies unexpectedly. If this happens, the minor beneficiary is not legally able to receive the estate and the property would be managed by a court-appointed conservator until the minor reaches the age of majority (age 18 in Massachusetts).

What if a family – mother, father and children – get on a plane that crashes and the whole family dies, leaving no descendants? Oftentimes, estate planners will discuss a "wipeout" or "fallback" provision with clients in the event of such a possibility. Families commonly will choose extended family members or a charity to inherit the estate.

In other cases, a person who passes away without a spouse and descendants can cause a burden from a tax perspective. A typical situation is a young successful professional with a sizable estate, who dies unmarried and without children. Without an estate plan, the person's estate will likely move up a generation, by the laws of intestacy, to his or her parents if they are still alive, which can pose an estate tax headache if the parents have a sizable estate of their own. The parents may have the option of making a qualified disclaimer under state and federal law to direct the

inheritance to other children and avoid a taxable gift.

In order to plan properly in the event of an unexpected family death or deaths in close proximity to one another, one must plan for all contingencies and work with a detail-oriented estate planning attorney.