

*Published in The Santa Monica Star, Volume XVI, Number 2, February 2017*

### ***Planning Ahead***



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## **Equalizing Children's Inheritance**

It is quite common for parents to help their adult children out with loans and gifts of cash. After a job loss a child may need help with education required to change careers. Or a child for whatever reason may have accumulated debt that parents might be willing to help pay down. Or maybe the parents want to help a child buy a house, considering the contribution an advance against the child's future inheritance.

What happens when there is more than one child and the children have received unequal help during the parents' lifetime? If loans have been made, the parents can demand repayment or document the loans in the form of a promissory note. The parents can decide if their estate plan will provide for a loan to be forgiven or deducted from the child's inheritance later.

If money has been given intending the money as an advance against future inheritance, the advance can be documented and tracked and the parents' estate plan documents can provide for the advance to be taken into account when dividing the estate otherwise equally between the children.

Whatever decisions are made to require money to be repaid, or loans forgiven, or to treat lifetime gifts as an advance on future inheritance, honest discussions with the child and perhaps the whole family may be wise. Family harmony will be your legacy. Ideally, there will be no surprises and any hurt feelings or perceptions of unfair treatment can be addressed and hopefully resolved while the parents are around to express their intent and make any changes to their estate plan necessary to carry out that intent.

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