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Another celebrity may have died without a will

According to early reports, music superstar Prince died without a will. Just days after his funeral, his sister Tyka Nelson petitioned the probate court to appoint a special administrator for the estate, stating that she believed that there was no will or other testamentary document. If there is, in fact, no will, the heirs will be Prince's siblings and half-siblings in equal shares.

Local newspapers reported that some \$31 million in Minnesota real estate was owned by Prince or business entities that he controlled. The larger estate asset is likely to be his body of work, for which he owned the copyrights. Early estimates of their value have ranged from \$100 million to \$300 million.

How could someone with an estate so vast *not* have a will? Oddly enough, most people procrastinate on planning their estates. We don't know the full story yet. Prince was a very private person in life. Perhaps he employed trusts so as to preserve financial privacy after his death? If so, his sister might very well not be aware of it. It is known that there was friction among the siblings when Prince was in charge of settling his father's estate in 2001.

Here's an interesting footnote. Ms. Nelson asked the court to appoint Bremer Trust in St. Cloud, Minnesota, as the special administrator. She stated that they already were familiar with Prince's financial affairs. They have been given that assignment for a preliminary six-month term.

The trickiest part of estate planning for the celebrity estate concerns the right to publicity. In some cases, as with Elvis Presley or Michael Jackson, this may prove to be the estate's most valuable asset. Yet the value of that asset on the date of death is highly uncertain, almost unknowable.

When he died, Michael Jackson's career was at a low point, so low that his executors valued his right to publicity at a few thousand dollars. The IRS disagreed, believing it was worth hundreds of millions. That difference has triggered litigation that is expected to go to the Tax Court next year.

Having a will won't resolve serious issues such as these, nor is it likely to have a material effect on death tax obligations. But having a will does make life somewhat easier for the survivors. It will guide the disposition of one's property, as well as nominate a person or firm to oversee the process of estate settlement.

If you don't yet have a will, or if you haven't reviewed your will since the last major tax reforms in 2012, you should make an early appointment with your estate planning advisors.

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