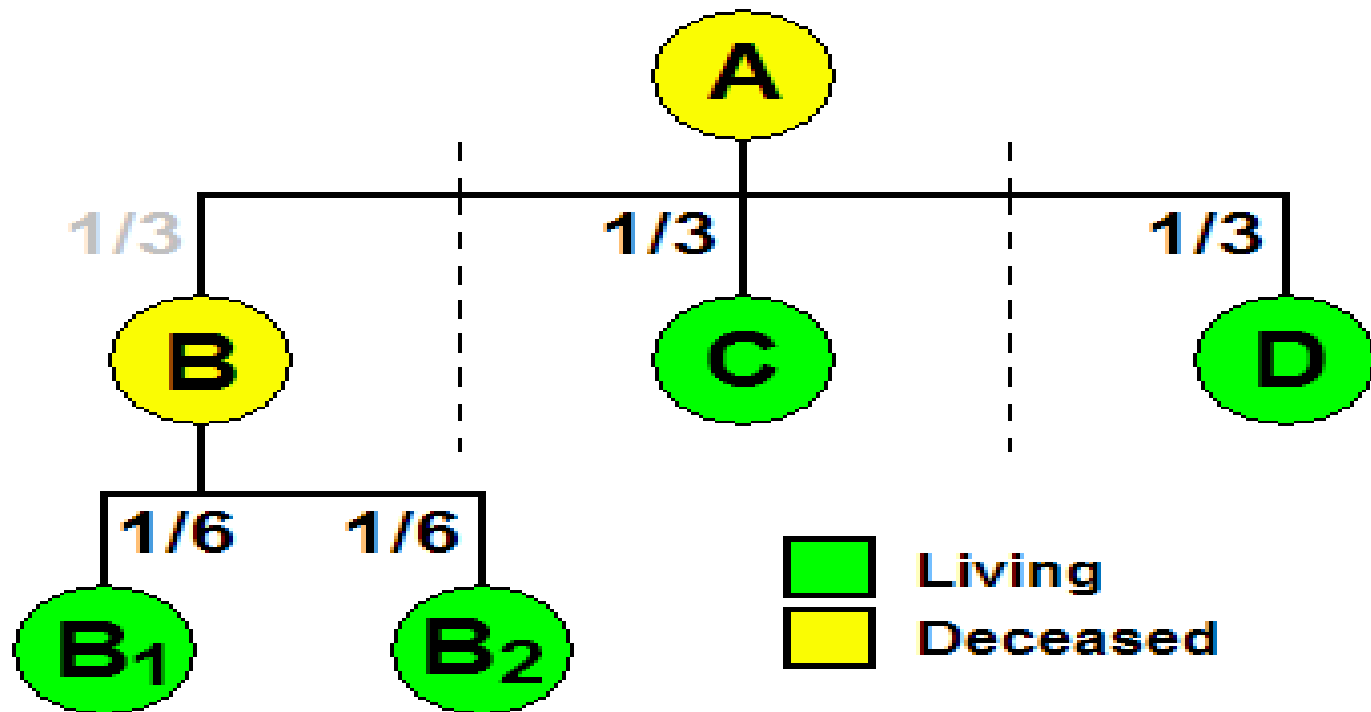


To Per Stirpes or Not to Per Stirpes, That is the Question

Jonathan Scharlau, CFA, CFP®
SilverOak Wealth Management

Per Stirpes



Estate of Evans (March 2013)

- A man dies without a surviving spouse or any descendants
- Parents and three brothers predeceased him
- One brother died without issue, one brother died with two daughters, one brother died with a son
- Heirs are two nieces and a nephew
- How much does the nephew get?

English vs. American Per Stirpes

- **English** (Strict definition) **Per Stirpes** begins at the generation closest to the decedent, regardless of whether there are any surviving individuals in that generation
- **Modern Per Stirpes** divides into as many shares as there are surviving heirs in the nearest degree of kinship
- A majority of states utilize the modern or American definition, based on the 1969 version of the Uniform Probate Code

Financial Institutions

- All have their own beneficiary designation forms and provide the definitions utilized in document
- Can vary from institution to institution
- Per Stirpes definition in the financial institution's form can differ from the definition utilized in client's state

Answer

- **It depends!**
- Minnesota utilizes Per Stirpes by Representation, which is closest to strict definition
- Need to discuss with client the difference
- Need to review definition utilized in will
- If you leave Per Stirpes blank on the beneficiary designation form, state law prevails