



Case Study 5

Organize, Communicate, Prepare

How much will each heir inherit?

George, a 98-year-old widower, has two children, Alice and Bob. Alice has one child, Carrie.

Bob has five children: Dave, Ed, Frank, Gail, and Hank. George's will leaves everything he owns to his children if they survive him, if not, then *per stirpes* to the descendants of his children. George's distributable net estate is estimated to be \$100,000 (after taxes, creditors, and expenses have been paid).

Take the quiz below to see how much you know about what shares the grandchildren will inherit under different fact situations.

1. Assume that both Alice and Bob survive George. How will George's estate be distributed at his death?
 A. Alice will inherit \$50,000 and Bob will inherit \$50,000.
 B. Alice, Bob, and their children will inherit \$12,500 (\$100,000 divided eight ways)
2. Assume that George passes on, survived by Carrie, Bob and Bob's five children. At George's death, how will his estate be distributed?
 A. Bob will inherit \$100,000.
 B. Bob will inherit \$50,000 and Carrie will inherit \$50,000.
 C. Bob, his children, and Carrie will each inherit \$14,285 (\$100,000 divided seven ways).
3. Assume that George passes, survived by Alice, Carrie, and Bob's five children. At George's death, how will his estate be distributed?
 A. Alice will inherit \$100,000
 B. Alice will inherit \$50,000, and Dave, Ed, Frank, Gail, and Hank will each inherit \$10,000.
 C. Alice, Carrie, and Bob's five children will each inherit \$14,285 (\$100,000 divided seven ways).
4. Assume that George passes on survived only by his grandchildren. How will his estate be distributed among his grandchildren?
 A. Carrie will inherit \$50,000 and Dave, Ed, Frank, Gail, and Hank will each inherit \$10,000.
 B. Each of the grandchildren will inherit \$16,666 (\$100,000 divided six ways)
 C. Alice and Bob's shares will be distributed as they each directed under their wills.

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5. The answers to the first four questions are different if Alice or Bob are survived by spouses.
 True
 False
6. If George dies without a will, how will his estate be distributed if both Alice and Bob pass on before him under Idaho law?
 A. Carrie will inherit \$50,000 and Dave, Ed, Frank, Gail, and Hank will each inherit \$10,000.
 B. Each of the grandchildren will inherit \$16,666 (\$10,000 divided six ways)
 C. Alice and Bob's shares will be distributed as they each directed under their wills.
7. George's will can direct that if both of his children pass on before him, his grandchildren will share equally.
 True
 False
8. If George's will leaves his property to the survivor of his two children, and Bob passes on before George, Bob's five children will be disinherited.
 True
 False

*Adapted for use in the Legally Secure Your Financial Future program; prepared by [Carol A. Schwab](#), J.D., LL.M., former professor and Extension Specialist, NC State University.
Reviewed for Idaho use by Bob Aldridge, Attorney at Law, September 2004.*

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Answers

How much will each heir inherit?

The following answers are based upon North Dakota law as of January 2006. The laws in other states may be different. Laws are subject to change, so please ask your attorney for answers to specific questions.

1. Assume that both Alice and Bob survive George. How will George's estate be distributed at his death?

ND answer: A

Alice will inherit \$50,000 and Bob will inherit \$50,000.

2. Assume that George passes on, survived by Carrie, Bob and Bob's five children. At George's death, how will his estate be distributed?

ND answer: B

Bob will inherit \$50,000 and Carrie will inherit \$50,000. [Because the division was per stirpes (right of representation) rather than per capita.]

3. Assume that George passes on, survived by Alice, Carrie, and Bob's five children. At George's death, how will his estate be distributed?

ND answer: B

Alice will inherit \$50,000 and Dave, Ed, Frank, Gail, and Hank will each inherit \$10,000.

4. Assume that George passes on, survived only by his grandchildren. How will his estate be distributed among his grandchildren?

ND answer: A

Carrie will inherit \$50,000 and Dave, Ed, Frank, Gail, and Hank will each inherit \$10,000.

5. The answers to the first four questions are different if Alice or Bob are survived by spouses.

ND answer: False

6. If George dies without a will, how will his estate be distributed if both Alice and Bob pass on before him under North Dakota law?

ND answer: A

The estate will be divided according to the first parents share among them.

7. George's will can direct that if both of his children pass on before him, his grandchildren will share equally.

ND answer: True

8. If George's will leaves his property to the survivor of his two children, and Bob passes on before George, Bob's five children will be disinherited.

ND answer: True

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Reviewed for North Dakota use by Paul Murphy, Attorney at Law, Murphy and Spahr Law Office PC, Carrington, ND, January 2006.

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