



How To Pass On Family Heirlooms and Keepsakes Without Causing A Family Feud

When creating an estate plan, people are often most concerned with passing on the “big things,” like real estate, bank accounts, and vehicles. Yet these possessions very often aren’t the items that have the most meaning for the loved ones we leave behind.

Smaller items, like family heirlooms and keepsakes, which may not have a high dollar value, frequently have the most sentimental value for family members. But for a number of reasons, these personal possessions are often not specifically accounted for in wills, trusts, and other estate planning documents.

However, it’s critical that you don’t overlook this type of property in your estate plan, as the distribution of such items can become a source of intense conflict and strife for those you leave behind. In fact, if you don’t properly address family heirlooms and keepsakes in your estate plan, it can lead to long-lasting disagreements that can tear your family apart.

Heirlooms & Keepsakes: Little Things With Big Value

Heirlooms and keepsakes are both prized for their sentimental value, but these possessions are slightly different from one another in terms of the manner in which the items are passed on.

Heirlooms: Heirlooms are passed down among family members for generations, and the passing of heirlooms sometimes involves traditions. For example, the first daughter to marry inherits grandmother’s heirloom wedding ring.

Keepsakes: Keepsakes, on the other hand, are possessions that are given or kept specifically for sentimental or nostalgic reasons, and these items may only get passed on once. For example, photo albums are a typical keepsake that are treasured by many families. If a keepsake gets passed on multiple times, it may eventually become a family heirloom.

Although just about any personal possession could be considered an heirloom or keepsake, some of the most common examples of these items include the following:

- Jewelry
- Photographs
- Books
- Art
- Musical instruments
- Furniture
- Clothing

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- Bibles
- Recipes
- Family documents (such as birth certificates, baptism records, and citizenship papers)
- Collections (such as sports memorabilia, coins, stamps, and doll collections)

Issues Raised By Passing On Heirlooms & Keepsakes

In the legal world, both heirlooms and keepsakes are considered “non-titled personal property.” As mentioned earlier, when there is no plan in place for the distribution of these items following the owner’s death, it can create bitter conflicts among family members. Indeed, fights over heirlooms and keepsakes can cause close family members to never speak with one another again.

In her book “Who Gets Grandma’s Yellow Pie Plate?” Professor Marlene S. Stum, an expert in family social science at the University of Minnesota, warns of the infighting that can occur when there’s no plan for who inherits these personal effects.

<https://store.msuextension.org/publications/FamilyFinancialManagement/MT199701HR.pdf>

“What surprises many people is that often the transfer of non-titled personal property creates more challenges among family members than the transfer of titled property,” says Stum.

“Research has shown that disputes over inheritance and property distribution are one of the major reasons for adult siblings to break off relationships with one another.”

Given the potential trouble the distribution of heirlooms and keepsakes can cause for your heirs, you’ll want to take extra care in seeing that these family treasures are passed on properly. And this means incorporating them into your estate plan in one way or another.

Strategies For Peacefully Distributing Heirlooms & Keepsakes

While there is no one perfect way to distribute these items in your estate plan, your primary goal should be to maintain harmony among your loved ones during an already emotional time. As with most sensitive issues, clear communication is vital to this process.

Because your family members can have vastly different values associated with certain heirlooms and keepsakes and you may have little idea about how each person feels, you should speak with each family member in advance. By talking with family members about their feelings and expectations regarding your possessions ahead of time, you will have a much better idea how to distribute these items to your loved ones with the least amount of conflict.

Additionally, you should decide ahead of time if you need to have any of your heirlooms or keepsakes appraised. In doing so, you provide your heirs with the necessary documentation to

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gauge the monetary value of these items, and you can save them from extra work while they are mourning your death.

Again, the manner in which you distribute your heirlooms and keepsakes will depend largely on the items you have to pass on and your specific family situation. That said, here are a few estate planning strategies to consider when passing on these precious possessions.

Gifting during your lifetime: Of course, you don't *have to* wait until you die to pass on your heirlooms and keepsakes, and you may prefer to give away certain special items while you are still living. By doing so, you get to personally witness the joy your loved ones experience when they receive the gift, and you can also personally explain the reasons you want each person to have a particular item.

If your heirlooms and/or keepsakes have a high monetary value, you should keep gift tax issues in mind when you give them away. That said, the IRS has a high annual gift tax exclusion (\$16,000 in 2022) and an equally high lifetime exclusion (\$12.06 million in 2022), so few people will need to worry about such taxes.

Keep in mind, the lifetime exclusion amount will revert back to its pre-2018 level of around \$5 million per individual in 2026, so if you are considering gifting high-value possessions, you may want to do it sooner, rather than later. In any case, if you have possessions you want to give away that might trigger gift taxes, meet with us, your Personal Family Lawyer® to discuss your options.

Include items in your estate plan using a personal property memorandum: As with other assets you want to pass on after your death, you should include heirlooms and keepsakes in your estate plan by adding them to your will or trust. The best way to do this is by using what's known as a personal property memorandum.

A personal property memorandum is a separate document that is referenced in your will or living trust. The memorandum allows you to list which items you wish to leave to each individual and detail the reasons you are giving each item. In many states, if it's properly incorporated into your will or trust, a personal property memorandum is a legally binding document.

Furthermore, unlike a will or trust, you can create and update your memorandum without a lawyer's help. You can change your memorandum as many times as you like, just make sure you sign and date it each time to ensure authenticity. Your memorandum can be as long or short as you like, which allows you to account for even the smallest or seemingly insignificant

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possessions.

Most types of tangible personal property can be included in your memorandum, but it's important to note that you cannot list certain assets in a memorandum, including titled property, such as real estate and vehicles; assets with a beneficiary designation, such as life insurance, 401(k)s, and bank accounts; or intellectual property, such as works protected by a copyrights or trademark. If you are unsure if you should include a certain possession in your personal property memorandum, consult with us.

Although you don't need a lawyer to create or modify your personal property memorandum, if you need any help or support with yours, reach out to us, your Personal Family Lawyer®. That said, you should always enlist our assistance if you'd like to create or update your will or trust.

Pass on the values & stories behind the possessions: You may want to consider making audio recordings to accompany your heirlooms and keepsakes. In this way, your loved ones not only get to hear your voice, but they will also be able to learn the stories behind the possessions, as well as the reasons why you gave each person a particular item.

These stories not only help connect you with future generations, but having a strong family narrative also helps young people develop strong personal identities and boosts their self-esteem. In the New York Times article, "The Stories that Bind Us," author Bruce Feiler comments on this phenomenon: "The more children knew about their family's history, the stronger their sense of control over their lives, the higher their self-esteem, and the more successfully they believed their families functioned."

<https://www.nytimes.com/2013/03/17/fashion/the-family-stories-that-bind-us-this-life.html>

Best of all, you don't have to worry about creating these recordings yourself, as we offer this exact service during our Family Wealth Legacy Interviews. In every estate plan we create for our clients, we will personally guide you to create a customized recording for the people you love, and then we will provide you with the recording digitally to ensure it will survive long after you are gone.

Don't Let Anything Fall Through The Cracks

Of course, if no one can find your heirlooms and keepsakes, they aren't going to do anybody any good. For this reason, it's vital that you create and maintain a comprehensive inventory of all of your assets, including each of your family heirlooms and keepsakes. Fortunately, this is another service we offer all of our clients at no additional charge. Indeed, we will not only help you create a comprehensive asset inventory, we have systems in place to make sure your inventory stays consistently updated throughout your lifetime.

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Keep The Peace After You Are Gone

To ensure your heirlooms and keepsakes don't create any unnecessary conflicts among your heirs, make sure that your estate plan includes all of your assets, especially your family heirlooms and keepsakes. As your estate planning lawyer, we can support you to ensure these precious treasures are protected and preserved as part of your Life & Legacy Plan, and that they pass to each of your loved ones in exactly the manner you would want, without causing a family feud. Contact us today to learn more.

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