

Is Your Estate Strategy Up to Date?

According to the National Association of Estate Planners & Councils, an estimated 120 million Americans don't have up-to-date estate strategies to protect themselves and their families in the event of illness, accidents or untimely death¹. Are you one of them? If you haven't reviewed your strategy with an estate planning attorney in several years, you probably are.

Signs You Need an Update

You should be aware of events that generally trigger the need for an estate review. Here are some to look out for.

Births – You probably will want to consider the needs of a new child or grandchild in your estate strategy.

Deaths – The death of your spouse or another beneficiary can greatly affect your strategy. So, too, can the death of your personal representative (executor), your children's guardian or your trustee.

Health concerns – An important part of an estate strategy is protecting yourself and your family against your possible incapacity or death.

Marriages – If you marry, you most certainly will want to review your estate strategy. Also when your children marry, you may want to revise it.

Divorces – Most people review their estate strategies if they divorce. But many fail to consider the possible unintended consequences of a beneficiary's divorce on that beneficiary's inheritance. For example, if your will gives your son and his wife joint ownership in your home, think of the problems that could arise if they divorce and you don't revise your will.

Moves out of state – If you move to a new state, your estate settlement could become more complicated, especially if you continue to own real estate in your "old" state. Consult with an attorney in your new state to learn more.

Changes in estate composition – A substantial increase or decrease in the value of your estate since you and your attorney designed your estate strategy may throw it off kilter and make a review or revision necessary.

Business changes – Certain business changes signal the need for an estate plan review. These changes include starting, buying or selling a business; entering into a buy-sell agreement that provides for the sale of your business interest when you die; and the death of a business partner or another important member of your firm.

Tax law changes – On average, the tax law changes every couple of years. Any changes in the law may make your estate strategy outdated.

Review Your Insurance Coverage, Too

Because life insurance is an integral part of many people's estate strategies, it's important to review your coverage with your financial professional whenever you review your estate strategy with your attorney.

Source: *Alight Solutions*

¹ Estate Planning Answers, the National Association of Estate Planners & Councils, October 2013