

Tuesday Mar 27 2015

Loomis Legal Roundup

Checking Estate Plans

By: Mark Breunig



How often should I review my estate plan?

Often a big binder lands on my desk with a request to review an old estate plan. Many people suspect that older wills and trusts are not valid anymore and should be replaced. Most of the time, the documents still meet the needs of the owners and need not be replaced. There are however, several situations that may affect the accuracy of one's estate plan. Here is my basic checklist.

Five items to check:

- 1. Change in Marital Status** - Have you married or been divorced? Getting married or divorced in California has substantial impact on estate plans. Since we live in a community property state, most property acquired during a marriage is community property, and a good estate plan addresses this. Alternatively, when you divorce all property acquired after legal separation is typically your separate property and yours to do with as you wish. Either way, if either of these life events has occurred, you should pull out your estate plan and review it carefully. This includes reviewing and changing the beneficiary designations on life insurance policies, investment and retirement plans, title to real property, time shares, and title on jointly owned cars.
- 2. Change for Named Participants in Plan** - Have any of your beneficiaries, trustees, executors or health care agents died? Has their mental, physical condition or your relationship with any of them changed substantially? A quick review of your estate plan will make sure you make the appropriate adjustments in all your documents.
- 3. Asset Changes of \$50,000 or More** - Have you acquired or sold a business or real estate, acquired assets valued greater than \$50,000? Make sure everything is properly placed in the name of the trust. If not, it could be subject to probate when you pass away.
- 4. Improving Financial Circumstances** - Has your financial circumstances changed significantly for the better? Luckily, under current federal inheritance tax rules, each citizen can pass up to \$5.43 million in assets without inheritance tax. However, if you or you and your spouse's estate may exceed that

amount, you should review your plan to see if it contains tax saving options to avoid or reduce this federal “death” tax.

5. **Personal Data Changes** - Finally, a basic annual review should include updates to addresses, emails, mobile numbers of all people named in your plan, usernames and passwords of important programs or internet based services, your wishes of who gets what specific personal property and any changes to your final instructions.

Reviewing and updating your estate plan documents shouldn't take more than an hour and doing so shows the people you care for that you thought about them often. Set it up as an annually recurring meeting on your calendar so you won't forget to do it.

Mark Breunig is a business and estate planning attorney based in historic downtown Loomis. He has been helping individuals and businesses with legal services since 1995. Breunig can be reached at 916-672-2042 or mark@breuniglaw.com. www.breuniglaw.com