

# Estate Planning Essentials: Spring Cleaning for Your Estate Plan

Ah, spring – that glorious, refreshing season of glowing sunshine, outdoor activities, beautiful flowers, and... deep cleaning? Indeed, for many, spring cleaning represents a yearly tradition of decluttering, discarding, and donating, all with the end goal of creating an inner sense of peace, comfort, and security. While it takes a little effort and elbow grease, the ritual of spring cleaning ultimately ensures that the house is prepared for the year to come.

Similarly, your estate plan may need some periodic ‘cleaning’ to ensure that you and your loved ones are prepared for the years to come. The circumstances of your life are not static, and neither are the applicable laws that govern estate planning practices. It is important to periodically review and revise your estate plan to ensure that your ‘house’ remains in order.

**Here are four things to consider when deciding whether it is time to do a little ‘spring cleaning’ to your estate plan:**

- 1. Do you currently have an estate plan?** The AARP currently estimates that 60 percent of Americans do not have any type of estate plan in place. The number one reason for this? ‘I haven’t gotten around to it.’ While each state has laws that provide for the disposition of your assets following your death if you don’t have an estate plan in place, those laws may not match up with your intentions. For instance, in Tennessee, if you are married with two children at the time of your death, your spouse would only be entitled to receive one-third of your estate. That certainly may be a shock and create hardships for many widowed spouses! Instead, consider making time this spring to put a plan in place that provides for your loved ones in the manner that you decide.
- 2. How old is your estate plan?** Regardless of whether you already have a last will or trust in place, even the best-laid estate plan needs periodic updating to account for changing laws. For instance, as recently as 2005, the estate tax exemption amount was \$1,500,000 per individual. In 2019, the estate tax exemption amount has increased to \$11,400,000 per individual. How many older estate plans are out there that include unnecessary tax planning provisions or that aren’t taking advantage of other changes in the law? By doing a little ‘spring cleaning’ to your estate plan, you can ensure that your plan is maximally effective and efficient and is up-to-date with applicable laws. At Chambliss, we generally recommend that your estate plan be revisited every two to three years to ensure that it remains current and that it is taking advantage of all the different planning tools that may be available.
- 3. Have changes occurred in your family?** Life’s big ‘family events’ – weddings, births, deaths, divorces, etc. – are often accompanied by a need to update an individual’s estate plan. Maybe you are recently divorced, but your life insurance policy still designates your former spouse as the sole beneficiary. Periodic review of beneficiary designations can eliminate a potentially caustic situation. Maybe a new child or grandchild has special needs and is eligible for certain benefits depending on their income level. Consider adding a supplemental needs trust for that individual in your estate plan to ensure that an inheritance does not adversely affect your special needs descendant. As your unique family situation develops and changes, your estate plan should develop and change with it.
- 4. Are you entering a new stage of life?** Planning goals often change as individuals move through different stages of life. Your goals as a newlywed with your first child on the way will likely differ from your goals at the time of your retirement with the potential need for long term care on the horizon. Thankfully, there are a variety of tools and planning techniques that can be used to meet your goals every step of the way, particularly with respect to various types of trust instruments (asset protection trusts, supplemental needs trusts, tenancy by the entirety trusts, etc.). Consider taking the time this spring to make sure your goals are not outdated and irrelevant to your current stage of life.

At Chambliss, we relish the opportunity to roll up our sleeves and get to work on spring cleaning your estate plan.

*If you have any questions or would like to start (or re-start) the planning process, please do not hesitate to contact me or a member of our Estate Planning team.*