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# Money Matters: The 'final' estate-planning step

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You have completed and implemented your estate plan. This area of your financial life can be checked off as completed, but is it really? One critical step remains. This is a periodic review and update of your estate plan in its entirety.

Why is a review so important? Maybe your plan was done five years ago or longer. Consider all the changes in your life since then. Maybe you got married. Maybe you got divorced. Perhaps you had a child. Maybe you are on better terms with your once-estranged son. Changes might be ones outside your control. Tax and estate laws differ over time. Your once perfect estate plan may now not be up to the task.

The point of this is that change is a constant thing. In order to make sure your wishes are honored, a periodic review of your estate plan is necessary and will give you some peace of mind.

What are some key indicators that a review is in order? Here are a few suggestions:

## **Changes in estate valuation**

If the value of your estate has changed significantly, you might need to update your estate plan. Examples of this include receiving an inheritance or winning the lottery!

## **Changes in your economic situation**

Changes to your income level or requirements, or if you are retiring, may change your estate planning.

## **Changes in occupation or employment**

If you or your spouse changed jobs, you may need to make revisions in your estate plan.

## **Changes in family situations**

Examples of these include: Your (or your children's or grandchildren's) marital status has changed, a child (or grandchild) has been born or adopted; your spouse, child, or grandchild has died; you or a close family member has become ill or incapacitated; or other individuals (e.g., your parents) have become dependent on you.

## **Changes in your closely held business interest**

Perhaps you have formed, purchased or sold a closely held business. Did you liquidate or reorganize your business? Maybe you executed a buy-sell agreement with your partner. Differences made in employee benefits, pension plans or deferred compensation plans could also necessitate estate planning changes.

## **Major transactions**

Examples of these transactions include making substantial gifts, borrowing or lending money, purchase, lease or sale of assets or investments. If you changed where you live, this could affect your planning. If you bought a vacation home in another state, you will want to review the implications. Perhaps you no longer solely own your home. Did a lawsuit rear its ugly head?

### **Changes in insurance coverage**

Making changes in your insurance coverage may change your estate planning needs or may make changes necessary. Your estate planning adviser should be aware of any changes that you make to life insurance, health insurance, disability insurance, medical insurance, liability insurance or beneficiary designations.

### **The death of a trustee/executor/guardian**

If a designated trustee, executor or guardian dies or changes his or her mind about serving, you need to revise the parts of your estate plan affected (e.g., the trust agreement and your will) to replace that individual.

### **Every so many years**

For larger estates, you should review your plan annually or when the aforementioned events happen. Changes in tax laws are made frequently, and an annual review will help you stay on top of them to get the best results. A similar suggestion applies to smaller estates. You might not be as affected by changes in tax laws, but your personal situation is bound to change and a review, at least every few years, will help you keep your plan current.

### **Other important changes**

None of us have a crystal ball. We can't think of all the conditions that should prompt us to review and revise our estate plans. This is where common sense comes in. Have your feelings about charity changed? Has your daughter finally become financially responsible? Has your spouse's health been declining? Are your children through college now? All you need to do is give it a little thought from time to time.

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