When Should You Update Your Estate Plan?

Once you've created an estate plan, it is important to keep it up to date. You will need to revisit your plan after certain key life events.

Marriage

Whether it is your first or a later marriage, you will need to update your estate plan after you get married. A spouse does not automatically become your heir once you get married. Depending on state law, your spouse may get one-third to one-half of your estate, and the rest will go to other relatives. You need a will to spell out how much you wish your spouse to get.

Your estate plan will get more complicated if your marriage is not your first. You and your new spouse need to figure out where each of you wants your assets to go when you die. If you have children from a previous marriage, this can be a difficult discussion. There is no guarantee that if you leave your assets to your new spouse, he or she will provide for your children after you are gone. There are a number of options to ensure your children are provided for, including creating a trust for your children, making your children beneficiaries of life insurance policies, or giving your children joint ownership of property.

Even if you don't have children, there may be family heirlooms or mementos that you want to keep in your family. For more information on estate planning before remarrying, click here.

Children

Once you have children, it is important to name a guardian for your children in your will. If you don't name someone to act

as guardian, the court will choose the guardian. Because the court doesn’t know your kids like you do, the person they choose may not be ideal. In addition to naming a guardian, you may also want to set up a trust for your children so that your assets are set aside for your children when they get older.

Similarly, when your children reach adulthood, you will want to update your plan to reflect the changes. They will no longer need a guardian, and they may not need a trust. You may even want your children to act as executors or hold a power of attorney.

Divorce or Death of a Spouse

If you get divorced or your spouse dies, you will need to revisit your entire estate plan. It is likely that your spouse is named in some capacity in your estate plan – for example, as beneficiary, executor, or power of attorney. If you have a trust, you will need to make sure your spouse is no longer a trustee or beneficiary of the trust. You will also need to change the beneficiary on your retirement plans and insurance policies.

Increase or Decrease in Assets

One part of estate planning is estate tax planning. When your estate is small, you don’t usually have to worry about estate taxes because only estates over a certain amount, depending on current state and federal law, are subject to estate taxes. As your estate grows, you may want to create a plan that minimizes your estate taxes. If you have a plan that focuses on tax planning, but you experience a decrease in assets, you may want to change your plan to focus on other things.

Other

Other reasons to have your estate plan updated could include:

You move to another state

- Federal or state estate tax laws have changed
- A guardian, executor, or trustee is no longer able to serve
- You wish to change your beneficiaries
- It has been more than 5 years since the plan has been reviewed by an attorney

Contact your attorney to update your plan.

ela