NEWS ALERT

TRUSTS AND ESTATES

Your Mid-Year Estate Planning Checklist: 10 things you should be doing now

By Lisa P. Staron | June 5, 2017

Here is a helpful checklist of the top ten ways to keep your estate plan current.

1. **Review your existing Will and any trust agreements.** Over the course of a year our personal and our professional lives can change dramatically. Tax laws and regulations are also subject to change as new political administrations come into office. It is therefore important to periodically make sure that your documents will work the way you want them to. Some questions to ask: Is your plan tax efficient? Do you need to make any changes about the timing and manner in which your assets will transfer to your beneficiaries? Do you need to change any beneficiaries or add anybody new? These are all basic questions to keep in mind when reviewing your existing documents.
2. **Consider whether your named fiduciaries are still appropriate.** Your executors and trustees will be tasked with some significant responsibility. You should consider whether the persons you appointed in your documents are up to the tasks that lie ahead of them or if an alternate person or persons should be appointed.
3. **Review your beneficiary designations.** Assets that pass by beneficiary designation, such as life insurance and retirement accounts, are typically not controlled by the terms of your Will or any trust agreements. Rather, they pass directly to the named beneficiary(ies) regardless of the status of their relationship with you. For example, a divorce will not automatically revoke an existing designation to your former spouse. Thus, it is important to check the status of each beneficiary designation on file with the respective institutions to be sure that the beneficiaries you want to receive those assets are in fact listed as the primary and/or contingent beneficiaries.
4. **Review your financial powers of attorney.** Connecticut enacted a new Power of Attorney statute that went into effect on October 1, 2016. While Powers that were executed prior to that date are still effective, it would be advisable to execute new Powers that reflect the changes to the law to facilitate their acceptance by banks and other institutions that will rely on the legality of those forms.

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5. **Review existing insurance coverage (life, homeowners, umbrella, disability, LTC, etc.).** As your assets and liabilities change, your liability exposure also changes. It is important to review your current policies and personal circumstances to determine whether you need an increase in coverage or if underwriting new policies are appropriate and/or warranted.

6. **Review your investments – and your investment advisors.** Are you satisfied with the way your accounts are performing? How much did you pay in fees last year? Is your investment advisor held to a fiduciary standard, which keeps your best interests above all else, or to the less-stringent "suitability" standard? You should not "set and forget" your investments and your portfolio, nor should you avoid asking these questions of your advisors.

7. **Review how your assets are titled.** Depending on your circumstances, it may be advisable to retitle assets from one spouse to the other, or from a joint tenancy into a tenancy in common. You may also want to fund your trust(s) with various assets (discussed further, below).

8. **Fund your trust(s).** Avoiding a lengthy probate process is one of the many reasons why our clients fund their trusts during their lives. While a funded trust will not reduce the applicable probate court fees in Connecticut, it will nevertheless shorten the process and procedures that your fiduciaries will need to undergo in order to take control of your assets after you die and manage and/or distribute them to your beneficiaries. Privacy concerns, disability planning, and estate tax planning are equally important in considering whether it makes sense to fund some or all of your assets into trust during your life rather than at death.

9. **Determine/confirm your estate tax domicile.** Are you in the process of abandoning domicile in one jurisdiction and establishing it elsewhere? Or are you splitting time between residences? Depending on your goals, you should carefully consider how much time you spend in each place and where you want "home" to be, as it will have an impact on whether or not you will or could be subject to state estate taxes when you die. (For additional information see: [http://www.murthalaw.com/news_alerts/2173-january---trusts-estates-group-news-home-where-you-hang-your-hat])

10. **Get educated – meet with your estate planning attorney and financial professionals to discuss all of the above.** Sir Francis Bacon once said, "*ipsa scientia potestas est*" (knowledge itself is power). Meditationes Sacrae (1597). The more you know about your assets and the laws applicable to their transfer, the better of an estate plan your attorney will be able to prepare and/or update for you.

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