

## Five Reasons to Update Your Estate Plan: Wills, Trusts, End-of-Life Documents

As a caregiver, responsible for at least one life other than your own, we hope you are one of the 40 percent of Americans who have at least written a will or created another estate planning document.

However, even the best executed estate plan needs to be reviewed periodically to ensure that it still reflects your wishes through the many twists and turns of life.

We recommend reviewing your estate plan every three years or after any of these five life-changing events: birth or adoption, marital status change, financial change, illness or disability or death.

**1) Birth or adoption:** You need to update your will after the birth or adoption of a new child. A will sets out who you are, who will be in charge of settling your estate when you pass away, and how you want the things you own distributed. Anyone with minor children should have a will so they can appoint a guardian for them. Without a will, the choice of guardian is left to the courts. Once your children reach adulthood you may omit the guardian clause.

The addition of children or grandchildren to the family may also prompt you to set up one or more trusts. A trust is a private, flexible estate planning tool that holds and distributes your assets according to a set of terms outlined in the trust. You may want a trust to fund an education or you may design a trust to incrementally distribute an inheritance based on the beneficiary's age or maturity.

**2) Marital Status Change:** If you have recently married, divorced or remarried, you want to make sure that your estate planning documents still reflect your wishes. Check every document that has a beneficiary designation including IRAs and life insurance policies. Unfortunately, many estate attorneys have to tell second spouses that they will not inherit as expected because their dearly beloved forgot to update the estate plan.

**3) Financial Change:** Financial changes, such as receiving an inheritance, may warrant a review of your estate plan. If you acquire or sell a large asset such as a

house or other investment, you may want to review your estate plan. Additionally, once you reach the age of 72 you may have an IRA, 401 (k) or other qualified plan that requires distributions that may change your estate plan.

**4) Illness or disability:** Illness or disability in your spouse, child or other family member may cause a change to your estate plan. You may want to establish a special needs trust for a child with special needs. A special needs trust allows your child to preserve assets to improve quality of life without disqualifying him from Supplemental Security Income or Medicaid. If you are caring for an aging parent you may want to establish a trust that will ensure care continues if something happens to you.

An illness or disability also may prompt you to add a power of attorney or an advance directive for healthcare to your estate plan. A durable power of attorney gives someone legal authority to make financial decisions on another's behalf.

Similarly, an advance directive appoints someone to make medical treatment decisions on your behalf.

**5) Death:** A death of a spouse, child, grandchild or other family member may require a change to your will or trust. Also, if the person you've chosen as your child's guardian or your personal representative/executor passes away or becomes ill or disabled, you may need to alter your estate plan.

If three years have passed since you wrote or reviewed your estate plan or if any of these five life-changing events have occurred, we recommend that you review your plan with a trusted estate planning attorney to make sure your plan still reflects your life.

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