

Is Your Estate Plan Aging as Gracefully as You Are?

A lot can change over a lifetime — including with your wealth, family composition and priorities. That's why you need to revise your estate plan as you progress through life. Milestones such as becoming a parent and retiring can require everything from estate plan edits to estate plan overhauls. Here are some of the issues you should be considering at each life stage.

Starting Out

If you've recently embarked on a career, gotten married, or both, now is the time to build the foundation for your estate plan. And, if you've started a family, estate planning is even more critical.

Your will is at the forefront. Essentially, this document divides up your accumulated wealth upon death by deciding who gets what, where, when and how. With a basic will, you may, for instance, leave all your possessions to your spouse. If you have children, you might bequeath some assets to them through a trust managed by a designated party.

A will also designates the guardian of your children if you and your spouse should die prematurely. Make sure to include a successor in case your first choice is unable to meet the responsibilities. If you don't have a will, state law governs the disposition of assets and a court will appoint a guardian for your minor children. During your early years, your will may be supplemented by other documents, including trusts, if it makes sense personally. In addition, you may have a durable power of attorney that authorizes someone to manage your financial affairs if you're incapacitated.

Middle Age

If you're a middle-aged parent, your main financial goals might be to acquire a larger home, set aside enough money to cover retirement goals and put your children through college. So you should modify your existing estate planning documents to meet your changing needs.

For instance, if you have a will in place, you should periodically review and revise it to reflect your current circumstances. For example, if your children are older, you may not have to worry about a guardian. But you may want to ensure your children's college and graduate school education will be covered. A trust could enable you to address these issues — especially if you're concerned about a child squandering his or her inheritance. And if you haven't already created a power of attorney, the need is often more pronounced during the middle years. Furthermore, health care directives can complement a power of attorney.

As you approach late middle age, your children may have graduated from college and moved out of the house. This usually changes the dynamic for "empty nesters." Significantly, you may start shifting your emphasis from college savings to asset preservation, with appropriate revisions to estate planning documents.

Senior Years

Once you've reached retirement, you can usually relax somewhat, assuming you're in good financial shape. But that doesn't mean estate planning ends. It's just time for the next chapter.

For instance, you may be inclined to change bequests in your will, perhaps by adding provisions to include grandchildren. Or, if there's been a family conflict, you may wish to "disinherit" family members by removing them from your will. Depending on the situation, a codicil may suffice. Proceed cautiously, with the help of your attorney, to ensure that you minimize or eliminate any potential future challenges by the party or parties being excluded.

The same principles apply to a power of attorney. It may be advisable to designate a different agent or name a new successor. A divorce can also precipitate amendments to your estate plan. And if you haven't already done so, have your attorney draft a living will to complement a health care power of attorney. This document provides guidance in life-ending situations and can ease the stress for loved ones.

Finally, create or fine-tune, if you already have one written, a letter of instructions. Although not legally binding, it can provide an inventory of assets and offer other directions concerning your financial affairs.

Gain Peace of Mind

Each person's life and goals are unique. We can help you explore your many options and keep your estate plan current.

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