

# Ring in the New Year with Peace of Mind: 3 Essential Estate Planning Reviews

As we bid farewell to the old year and embrace the new one, it's the perfect time to reflect on our accomplishments and set new goals. For those who have diligently planned their estates, the start of the year is an excellent opportunity to ensure that everything is in order.



And for those who have not, it presents a great time to start the process of getting their financial house in order. Here are three crucial aspects of your estate plan to review as you welcome the New Year:

## I. Review Your Will

The cornerstone of any comprehensive estate plan is a well-crafted and up-to-date Last Will and Testament. Many use it in conjunction with a Trust. The New Year is an ideal time to review these critical documents and make any necessary adjustments.

### A. Do you have a will/trust and know where it is?

If you haven't taken the proactive step of creating your estate plan, it's important to recognize that the state has a default plan for you – and it might not align with your wishes. Without a personalized estate plan, the distribution of your assets, guardianship of your dependents, and other critical decisions may be left to state laws and regulations. This New Year is a great time for you to take control of your legacy and ensure that your desires, not the state's default provisions, shape the future. Your call to action is to start the year with the peace of mind that comes from crafting a thoughtful estate

plan that reflects your values and protects the well-being of your loved ones.

If you already have a will or trust, do you know where it is? And, can those who will resolve your estate find it?

## B. Does your will/trust need to be updated?

Life is dynamic, and changes in your family structure, financial situation, or personal preferences may necessitate updates. Check your documents for the following things:

- **Family Changes**—If you've experienced additions to the family through births or marriages, or if there have been losses through divorces or deaths, it's crucial to reflect these changes in your plan. Ensure that your assets are distributed according to your current wishes and in consideration of your loved ones' needs.
- **Financial Adjustments**—Significant changes in your financial situation, such as acquiring new assets or investments, may require adjustments to your plan. Regularly reviewing and updating your will/trust can help you maintain an accurate reflection of your estate and its distribution.
- **Guardian Designations**—For those with minor children, verify that guardian designations are in place and up to date. Choosing a guardian is a weighty decision that requires careful consideration. The New Year is an opportune time to revisit this choice and make any necessary adjustments to ensure the well-being of your children in the event of unforeseen circumstances.

## 2. Update Your Beneficiary Designations

Many assets, such as retirement accounts, life insurance policies, and certain financial accounts, allow you to designate beneficiaries. These designations often

override instructions in your estate plan, making it vital to ensure they align with your current intentions.

- **Bank Accounts:** Check the beneficiaries listed on each bank account. Often these accounts can predate your current situation. Those you leave behind may need access to this source of funds in order to administer your estate. Ensure that the beneficiary listed is consistent with your current plan and wishes.
- **Retirement Accounts:** Check the beneficiaries listed on your retirement accounts and update them if necessary. Life events such as marriage, divorce, or the birth of children may warrant changes to these designations.
- **Life Insurance Policies:** Review the beneficiaries on your life insurance policies. Make sure they reflect your current relationships and financial goals. Failing to update beneficiary designations may lead to unintended consequences.
- **Social Media Accounts:** Some of our most cherished events, memories, and pictures are shared with our friends and family over social media. Review your accounts to ensure that you have designated a legacy contact.

### 3. Evaluate and Adjust Trusts

If your estate plan includes trusts, the New Year is an opportune time to review and potentially adjust their terms. Trusts can be powerful tools for managing and distributing assets, but they may need to evolve with changes in your life and the legal landscape.

- **Trustee Designations:** If your designated trustee is no longer the most suitable choice or is unable to fulfill the role, consider appointing a new trustee. This ensures that your trust is managed by someone you trust implicitly.

- **Asset Changes:** If there have been significant changes in your asset portfolio, review your trust to confirm that it still aligns with your financial objectives. You may need to make adjustments to the types of assets held within the trust or update the distribution instructions.
- **Family Changes:** As we discussed above, you should review any family changes to be confident that your wishes are still being carried out. Look over your trust to check whether it still accomplishes what you want given any new changes to your family structure.

## An Updated Estate Plan = Peace of Mind

In conclusion, the start of the New Year provides an excellent opportunity to reassess and refine your estate plan. By taking the time to review your will, beneficiary designations, and trusts, you can ensure that your estate plan remains a true reflection of your wishes and provides the security and peace of mind you and your loved ones deserve. As an experienced estate planning attorney, I am here to assist you in navigating these considerations and making any necessary updates to your plan. And, if you need a plan, call me at 281-425-1300 to schedule your planning session today, so you can experience the peace of knowing your loved ones are protected. May the New Year bring you prosperity, good health, and the assurance that your legacy is well-protected.

—By Marc Pinney