Clients often feel a great sense of relief after creating a will, living trust, power of attorney or other estate planning documents. Knowing they have taken the right steps to protect themselves and their loved ones provides great peace of mind.

However, that peace of mind should come with an expiration date because as life changes, you need to periodically review your estate plans and see if changes are needed to keep your plans functioning the way you intend. Here are a few reasons it is wise to review and update your plans and examples of what can happen if you do not.

Make Sure Those in Leadership Roles Are Still Able to Serve

In your will, you nominated someone to serve as your personal representative or executor and possibly also as a guardian for your children. In your trust, you named a trustee to oversee the management of assets and compliance with trust terms. In your powers of attorney, you named agents to make decisions on your behalf. If these individuals are no longer able to or willing to serve in these roles, it is time to make some changes. You may also have since decided that one or more of these individuals lacks the qualities needed to fulfill their duties in the way that you want. This is also a good reason to make a change.

Make Sure Changes in the Family are Accounted For

Have you had a new addition to the family since you created your estate planning documents? Or how about a loss through a divorce? If you need to add someone as a beneficiary or remove someone you no longer wish to support for one reason or

another, you need to take the appropriate legal actions to change your estate planning documents. Otherwise, loved ones could be left out, or property could pass to someone that you did not intend.

If a loved one's situation has changed, you might need to change the way that you plan to pass assets to them. For instance, a loved one with special needs who receives benefits such as Medicaid or SSI would be better served having assets placed in a special needs trust than being given assets outright. An outright gift would destroy eligibility for many benefits. Similarly, if a loved one has debt issues or money management problems, it would be better to put property for them into a spendthrift trust so that creditors cannot reach it.

Make Sure Your Property is Allocated Appropriately

Over time, the value of assets and the needs of your beneficiaries will change. If you planned to leave all your grandchildren assets of equal value, for instance, you may need to make some adjustments to keep the allocation even.

If you have a trust, you need to ensure that the property is aligned with trust objectives. If not, it may require family members to deal with probate, or it could end up passing according to the laws of intestate succession.

Find Out if Changes in the Law Have Impacted

Your Plan

Changes in federal law or Texas law could have decreased the effectiveness of certain strategies or opened up new opportunities to conserve resources. Your estate planning attorney follows changes in the laws very closely and also watches for anticipated changes that you can start preparing for in advance.

For instance, the federal estate tax exemption threshold is set to expire at the end of next year. If Congress returns to fiscal policies from a few decades ago to raise revenue, the federal estate tax could affect many more families. Estate tax obligations are often used to force families to sell businesses and property that they had held for generations just to pay off the liability. There are strategies to reduce or eliminate estate tax liability, but you have to prepare in advance. Scheduling regular reviews with your estate planning attorney can keep you in the best position to preserve your assets and ensure your wishes will be followed.

The Nordhaus Firm Can Keep You Prepared for Whatever Lies Ahead

It can be challenging to keep up with the intricacies of estate plans and all the factors that could impact the effectiveness of your strategies. Fortunately, you don't have to worry about the details if you schedule a review with your estate planning attorney. At The Nordhaus Firm, we can assess the effect of changes and explain your options for making adjustments so that you can make the right choices to move forward. To schedule a review session, call us at 214-726-1450 or contact us online today.