

Abstract: Generally, it's recommended that individuals review their estate plans at year's end. However, with a life shock as monumental as the COVID-19 pandemic, it might be a good idea to get an earlier start. This article provides examples of potential revisions and discusses wills and powers of attorney.

Review your estate plan following a major shock

Generally, it's recommended that you review your estate plan at year's end. This is a logical time to note important life events that have taken place over the past 12 months or so that may affect your plan.

However, with a life shock as monumental as the COVID-19 pandemic occurring in 2020, you might want to get an earlier start on reviewing your estate planning documents to ensure that they're up to date — especially if you haven't looked closely at them in a number of years.

Potential revisions

There are a wide variety of life changes that typically trigger the need to revise an estate plan. A few that come to mind in light of this year's crisis include the illness or disability of you, your spouse or another family member; or the death of a spouse or another family member. On a happier note, the birth or adoption of a child, grandchild or great-grandchild may necessitate changes. A child or grandchild reaching the age of majority is another common event.

If you married, divorced or remarried, you might need to revise your estate plan. The sale or purchase of a principal residence or second home could also necessitate action. Other oft-cited examples include your or your spouse's retirement, receipt of a large gift or inheritance, or any sizable changes in the value of assets. It's also important to review your estate plan when there've been changes in federal or state income tax or estate tax laws.

Will and powers of attorney

As part of your estate plan review, closely examine your will, powers of attorney and health care directives. If you have minor children, your will should designate a guardian to care for them should you die prematurely, as well as make certain other provisions, such as creating trusts to benefit your children until they reach the age of majority, or perhaps even longer.

A durable power of attorney authorizes someone to handle your financial affairs if you're disabled or otherwise unable to act. Likewise, a medical durable power of attorney authorizes someone to handle your medical decision making if you're disabled or unable to act. The powers of attorney expire upon your death.

Typically, these powers of attorney are coordinated with a living will and other health care directives. A living will spells out your wishes concerning life-sustaining measures in the event of a terminal illness. It says what measures should be used, withheld or withdrawn. Changes in your family or your personal circumstances might cause you to want to change beneficiaries, guardians or power-of-attorney agents you've previously named.

Peace of mind

In response to the COVID-19 crisis, many people's thoughts have turned to the importance of family and economic security. Updating and revising your estate plan today can provide peace of mind. We can help you determine whether any revisions are needed.

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