

Estate plans should be updated regularly

BECKY RASPE | SPECIAL SECTIONS STAFF REPORTER
 braspe@cjn.org | @BeckyRaspeCJN

When major life events occur or laws change, some personal files should be updated.

According to Richard Harris, partner and chair of the estate, succession planning and probate administration practice group at Brouse McDowell in Akron, and David Banas, an attorney at Hickman & Lowder in Cleveland, an estate plan should be high on that list of things to change.



Banas

Banas said whenever someone comes in to update an estate plan, it's usually because of a change in circumstances.



Harris

"Maybe your children have grown up and moved out or there has been a divorce, a new marriage or new children," he said. "Any change in circumstance is a great reason to come back to your documents and review. It's a good idea to review them on a yearly basis – or at least every couple of years – to refresh your understanding."

Other situations would include changes in the tax code, specifically in estate tax thresholds.

"In 2013, Ohio did away with their estate tax, so a lot of the estate planning that was done prior to that was geared toward taking advantage of credit shelters to minimize the tax," Banas said. "Now that is no longer a concern, all the updates are a bit simpler. Right now, it's all about simplifying."

Estate plans should generally be reviewed and updated every three to five years, Harris said. But other life events call for it to be updated immediately or soon after:

"Today, people change jobs frequently and often times, move out of state," he said. "Whenever that occurs, I always say it's a good idea to get their documents looked over in the state they now reside as laws differ."

Harris added estate plans don't necessarily need to be updated for any specific reason.

"Often times, if it has been a while since they've last had someone look at their estate plan, there are some things that need to be changed anyway," he said.

Both professionals said having children calls for an immediate change.

"Once people start having children, there needs to be a significant change there," Harris stated. "And now that they have a child, there needs to be something there in case something happens. This is to take care of the child in case something happens to mom and dad."

Banas added, "When young people have children, it is important to have, at least, a will and testament so you can nominate guardians. That should be a bell that goes off."

When updating an estate plan, it's a good idea to consult a professional.

"It's better to connect with a professional because you can read anything you want to read on Google," Banas said. "But what you don't know what is true, what is reality and you don't know what you don't

"When young people have children, it is important to have, at least, a will and testament so you can nominate guardians. That should be a bell that goes off."

David Banas, attorney
 Hickman & Lowder

know ... We go through these problems a lot."

Harris added, "I would always recommend that they connect with a professional for any sort of updates to legal documents like a will, trust or power of attorney. One of the things an individual could do is look at their beneficiary designations."

Both professionals added individuals should understand estate plans aren't set in stone.

"(Individuals) should look at their estate plan as something that is always going to need to be looked at from time to time," Harris stated. "It is not something that is cast in stone, it's a process. Your life and situation change, and as it changes, you want your estate plan to fit those circumstances."

Banas said, "It's an organic process. It grows and changes as life moves on. If you leave it stagnant, it won't grow with you."