

Time passages: Estate planning through the years

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Virtually everyone needs an estate plan, but it isn't a one-size-fits-all proposition. Even though each person's situation is unique, general guidelines can be drawn depending on your current stage of life.

The early years

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 recently 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.

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. Frequently, the agent will be your spouse. Furthermore, obtain insurance protection appropriate for your lifestyle.

The middle years

If you're a middle-aged parent, your main financial goals might be to acquire a home, or perhaps a larger home, and to 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. Typically, minor revisions to a will can be achieved through a codicil. If significant changes are required, your attorney can rewrite the will entirely.

If you and your spouse decide to divorce, it's critical to review and revise your estate plan to avoid unwanted outcomes.

The later 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.

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 directions concerning your financial affairs.

Revisit your plan periodically

Regardless of the stage of life you're currently in, it's important to bear in mind that your estate plan isn't a static document. We can help review and revise your plan as needed.

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