

Is Your Estate Plan Ready for Federal Tax Law Changes?

By Attorney Lee B. Reimann

Currently Federal Estate Tax is not due on estates under \$1,500,000. This amount will increase on January 1, 2006 to exempt Federal Estate Tax will on estates valued below \$2,000,000. If you and your spouse previously created trusts with tax savings as a goal, and your expected estate is below the taxable limit, you should make sure that your current plan meets your current needs given these changes in tax limits. You might want to consider simplifying your estate planning and combine your trusts into one family trust.

Also, we urge our clients to make sure that all of their assets are owned by their trusts. Your trusts are only effective for probate avoidance if they are properly funded. Have you recently reviewed the title to your assets to make sure that your assets are titled as your estate plan requires?

Patient Advocate Designations - The issue of legal authority for making medical decisions for incapacitated individuals is in the news. Are you protected? No matter what your wishes are regarding end of life medical care, you should have someone legally appointed to make decisions for you if you are unable to do so. This is accomplished with a Durable Power of Attorney for Medical Care. We strongly suggest that individuals also create Living Wills. This is a document that lets loved ones know your wishes are for end of life care, but be careful - a Living Will is not a legally enforceable document. Please review your estate plan to make sure that you have current documents in place.

If you have any questions regarding anything that you have read, or if you would like to create, change or update an estate plan, please contact Lee Reimann at (517) 324-1045.