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Your Estate Planning New Year's Resolution

Have you made your 2015 resolutions? They may include losing weight, exercising more, eating healthier or quitting smoking. Why not consider kick starting 2015 with a resolution to review your existing estate planning documents? We recommend a thorough estate plan review every two to three years, yet, most estate plans are updated, on average, only every 19.6 years!

Has anything happened in the last 20 years that might affect your estate planning? Even if your life hasn't changed and it probably has, certainly the laws of the State of Florida and the tax laws are constantly changing. Additionally, our experience is always changing and improving. Further, the way you want to leave your assets - your legacy - might also change. In order to be effective, your estate plan has to be relevant and stay current with all possible changes.

To help you get started with your new resolution - here's a checklist to review annually to ensure your estate planning accomplishes all of your estate planning goals (make it a New Year's tradition!)

1. Assess the changes in your life since you last updated your estate planning documents.

Have you gotten married or divorced? Have you had a child or adopted a child? Moved to a different state? Had a death in the family? Had a major financial event? Any of these life changes can affect your estate planning, and your estate planning documents may need to be updated to reflect these changes.

2. Review your Last Will and Testament and/or Revocable Living Trust.

Some individuals have only a will and others have both a will and a trust. In either case, these instruments direct where some or all of your property will go at your death. The most important elements of these documents for review are:

Personal Representative (also known as the Executor) and Trustee designations: the individual(s) and/or institution you name should be one you consider responsible and trustworthy. If you designate more than one trustee, consider whether the two individuals you designate get along and will be able to work together. If you have not already, you may want to consider designating a corporate trustee, either to serve with a specified individual trustee or to serve as sole trustee if none of the individuals you name are able to serve. For example, if you want your children to be able to serve as trustees of the trusts for their benefit, but you don't think one or all of them is financially responsible enough to handle the trust assets, it may make sense to name a corporate co-trustee to serve with that child. It may also make sense to name a corporate co-trustee if you want a particular individual trustee to have a say in how distributions are made but do not want to burden that individual with the responsibility of handling the trust investments and accounting. A corporate trustee

brings expertise and resources to the table that an individual trustee usually cannot provide.

If you designate friend or family members as fiduciaries, it is important to let them know and discuss with them the responsibilities such a position may entail. In addition, it is a good idea to discuss with your personal representative or trustee, your reasoning for any “out of the ordinary” provisions you may have included in your documents, such as disinheriting a child or making unequal distributions among children.

Beneficiaries: it is important to review who is designated to receive your property after your death, including any outright monetary gifts, to ensure these designations remain up to date. Do you still talk to that friend to whom you are giving \$5,000? Does your housekeeper who is designated to receive a cash gift still work for you? Does your child still owe money on that loan you refer to in your documents? Are your pets included as part of your plan clearly stating who should receive them along with a monetary distribution to help pay for your pet's care?

Gifts of Specific Property: if there is any specific item of property, such as a family heirloom or jewelry, you want a particular person to receive, you should update your documents to incorporate that gift. Florida allows you to specify such a gift in a list separate from your will or trust - a personal property memorandum.

3. Review your Financial Power of Attorney

This is the instrument that allows your named agent to act for you in a wide array of financial, business and legal matters. It is essential to review your agent designation regularly to ensure that person continues to be someone you trust to deal with these sensitive matters including the ability to access, transfer and convey your financial assets, including real and personal property. Removed agents should be notified by sending a notice of revocation and recovering any copies of your previous power of attorney the individual might have in their possession.

4. Review your Health Care Power of Attorney and Living Will.

Your health care power of attorney appoints one or more individuals (your surrogate) to make everyday health care decisions for you if you are unable to make those decisions for yourself. Your living will communicates your end of life wishes if you are mentally incapacitated and have a life-threatening condition. Review all of your health care directives to ensure the persons you have appointed are mature persons you trust to step into your shoes and make major medical decisions for you.

As medical standards and procedures evolve, your wishes may evolve as well. As a result, it is a good idea to discuss your wishes with your appointed surrogates so they understand your feelings regarding proper health care and end of life instructions.

5. Review the Beneficiary Designations on your Insurance and Retirement Plans.

Last, but certainly not least, anytime you make a change to your estate plan you should reassess the beneficiary designations on financial accounts, life insurance and retirement plans. These designations are often overlooked yet can result in a result contrary to your written will or trust if not these designations are not properly

executed and coordinated. If you want to create an estate plan that works, don't overlook this very important step.

Nothing is certain in life except change. As a result, it is imperative to keep your estate plan updated and relevant to reflect all possible changes so your plan works the way you intend, for you and your loved ones. If you would like to schedule a time to review your current plan and discuss changes in your life, the law, our experience or your legacy, please call us today at (407) 977-8080.