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If you had your estate plan prepared more than 20 years ago, there's a good chance you needed one or more three-ring binders to store all the documents. Perhaps due to a fear that picking up those hefty binders more than once could cause a back injury, there's an even better chance you brought them home from your lawyer's office and immediately deposited them into a drawer where they have been collecting dust ever since.

My recommendation is to dust off the binders, hoist them up (lift with your knees), and read through your documents because they are likely in need of updating. Given the changes in tax laws over the years, and perhaps in your own family, these updates may result in simplifying what was previously quite a complex plan. This will benefit not only your back, but can help to ensure your loved ones will not be left with an overly complicated plan to administer upon your passing.

Reason #1 to Simplify: Increase in Estate Tax Exemptions

In 2001, the CT and Federal estate tax exemption amount was \$675,000. As a result, payment of estate taxes was a very real concern for many individuals. In order to minimize or avoid payment of this tax, your attorney may have prepared a "credit shelter trust" for you and your spouse. While this type of trust would allow you and your spouse to potentially avoid paying estate taxes, it also meant dividing your assets between yourself and your spouse, transferring them into your respective credit shelter trusts, and would mean potentially maintaining certain assets in trust for your spouse's lifetime after your death, instead of those assets simply passing

to your spouse outright.

Thankfully, the CT and Federal estate tax exemption amounts have increased dramatically since 2001. As of January 1, 2021, the CT estate tax exemption amount is \$7,100,000 and the Federal estate tax exemption amount is \$11,700,000. For many, fears of paying an estate tax are now a distant memory, and those credit shelter trusts may no longer be necessary. Instead, the trusts may be able to be simplified to provide assets to pass directly to your surviving spouse or other loved ones upon your death, outright. This will do away with certain administrative and tax filing requirements and simply flow your assets out to your beneficiaries.

Reason #2 to Simplify: Minor Children Have Grown Up

A very common motivator for people to prepare estate planning documents is the birth of a child. Once you had little ones to look after, you wanted to make sure that they would continue to be cared for even after you're gone. So when you prepared your estate planning documents shortly after their birth, you likely appointed guardians to manage their day-to-day care and set up trusts to manage their inheritances.

Twenty years later, your children are now grown, are starting to have families of their own, and those trusts you established may no longer be needed. Instead, if your children are financially mature enough, you may be able to direct that these assets pass to your children outright.

However...Be Cautious of Over Simplifying

Trusts and other more complex estate planning tools can provide numerous benefits such as probate avoidance, reducing payment of taxes, creditor protection, etc. Just because one of these may no longer be required for your current situation, the others may still provide enough reason for keeping some of your current plan in place.

The best step you can take is to have your documents reviewed by an experienced estate planning attorney. Only a thorough review of your documents, your current family and financial situation, and your plans for the future will determine what pieces of your plan make sense to keep, and which can be simplified or eliminated altogether. To make an appointment with one of our estate planning attorneys, please contact our department coordinator, Eva Holmes, at eholmes@kkc-law.com or 860-812-1749.