

Wills, Trusts And Estates: Plain And Simple

Estate Planning – Besides Saving Estate Taxes, What Should Be On Your Checklist?



"I'm so glad we updated our wills. Farrell Fritz helped us understand all the recent changes and the best part is, we minimized our estate taxes. I feel so much more secure about our family's future."



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The federal estate tax exemption is now \$11.4 million per person (\$22.8 million/couple), and the New York State estate tax exemption is now \$5,740,000 per person. Generally, the exemption amount is the value of assets that you can give to your heirs before any estate or gift tax is due. Note that while New York does not have a gift tax, under current law, it does bring taxable gifts you make within three years of death into your NY taxable estate.

Some may believe that if the value of their assets is under the exemption amounts, there is no need to engage in estate planning. The current federal provisions expire, however, at the end of 2025, when the federal exemption is set to go back to \$5 million (indexed for inflation). What New York will do on the estate tax exemption front is a guessing game; not long ago, that exemption amount was only \$1 million.

In view of the uncertainty of the estate tax laws, it is important to have estate-planning documents that are flexible enough to adjust to changing estate tax laws. In addition, there are numerous non-tax considerations that should be addressed in estate planning documents, including:

Making sure your spouse is provided for adequately;

Making sure your intended beneficiaries get what you want them to get;

Addressing issues of second marriages and children from a prior marriage;

Avoiding probate, if there could be probate issues under particular circumstances;

Providing trusts for minors to avoid the costs and hassle of the appointment of a guardian of the property for them;

Providing trusts for special needs beneficiaries to avoid disqualification for government benefits;

Naming executors and trustees to make decisions about your assets after your death.

As noted, it is important to address your estate planning for tax and non-tax purposes.

If there is a trusts and estates topic that you would like to know more about, please feel free to email me at pmarcin@farrellfritz.com, and I will do my best to cover it in a future column. My previous columns are available on www.farrellfritz.com.



Patricia C. Marcin is a partner at the law firm of Farrell Fritz, P.C. concentrating in trusts, estates and tax law. Patricia has lived in Lloyd Harbor since 2005 with her husband John. They have two sons, Sam & Matt. Their faithful dog, Blizzard, still lives at home!