

**By Matthew Crider, JD
Family Wealth Protection Attorney**

The dust surrounding all the estate tax law “remodeling” is finally settling, and it’s time now for families to give their old (or future) estate plans some serious scrutiny. For all of you who were waiting until Congress made some firm decisions on the estate tax laws—there are no more excuses.—now that the estate tax is no longer in flux—it is so important to update your estate plan.

Many believe that the new “hefty \$5 million exemption, combined with a new portability provision, should allow many affluent couples to simplify their planning.” Couples with estate plans already in place will be able to take advantage of the new laws as well, but the motivation to update *their* existing plans actually has more to do with the need to undo outdated formulas in wills and trusts that, with the new laws in place, may now do more harm than good.

“Many couples have old wills designed mainly to preserve the estate tax exemption of the first spouse to die, something the law now does. Under these old “formula” wills and trusts, when the first spouse dies assets equal to his or her federal estate exemption go into a “bypass trust” for their kids. The surviving spouse has access to the trust’s earnings and, if need be, principal, but what’s in the trust “bypasses” the survivor’s estate. Problem is, with the exemption jumping to \$5 million (it was only \$2 million in 2008) the survivor could be left with nothing outside the trust.”

The new estate tax laws are much friendlier to middle-income families, but don’t let that fool you into thinking you don’t need to plan at all. “Whatever your age, marital status or net worth, you need a will (saying who gets your stuff); a living will (stating your wishes about end-of-life care); a health care proxy (naming someone to make medical decisions for you if you can’t); and a durable power of attorney (designating someone to act on your behalf in financial and legal matters if you can’t).”

Now is the time to call our office to talk about estate planning in the New Year. There is no more reason to procrastinate, and it’s your family’s legacy that’s on the line.

About Matthew Crider, J.D.

Matthew Crider formed [Crider Law PC](#) in 1999 so he could help individuals and business owners by providing creative solutions and be their trusted advisor and legal counselor. He serves his clients by listening closely to their goals, dreams and concerns and working with them to develop superior and comprehensive estate and asset protection plans. His estate planning practice focuses on preserving and growing wealth by providing comprehensive, highly personalized estate planning counsel to couples, families, individuals and businesses.

