

COVID-19: ESTATE PLANNING DURING COVID-19

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U.S. Private Clients, Trusts and Estates Alert

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With a global pandemic affecting all of us around the globe, much in life has changed. Not only is “social distancing” now a household term, but daily routines, job structure, schoolwork, and home life looks different for nearly everyone. Local and national news reminds us on a daily basis that we are all susceptible to a critical change in our health at any time. These uncertain times bring a renewed focus on the need to ensure your estate plan is up to date.

TAX PLANNING OPPORTUNITIES

Interest rates are at all-time lows, many asset values are depressed, and federal gift and estate tax exemptions are at an all-time high. This combination presents an opportune time to engage in estate and tax planning strategies. A grantor retained annuity trust, which transfers appreciation of assets over a term of years to a named beneficiary, is just one tool that may be particularly beneficial to clients in this current economy. A review of your current financial and planning situation can help determine the best options for your situation.

IS YOUR WILL CURRENT?

We encourage clients to review their wills, trusts, and other estate planning documents at least every few years to ensure the plan is still applicable. Consider whether you would like to make any updates to your named beneficiaries, your personal representative, or the guardian for any minor children. Consider whether any trust terms in your plan may still be applicable and whether you may want to add beneficiaries or charities to your plan.

REVIEW POWERS OF ATTORNEY

If you become critically ill, having a Power of Attorney for Health Care in place and up to date is important. Hospitals will look to your designee in your Power of Attorney to take direction on your health care if you cannot direct your medical team yourself. Ensure your designees are up to date.

Similarly, ensure your Power of Attorney for Asset Management is current. If you need assistance with paying your bills or managing your finances, having a Power of Attorney in place can avoid the need for a court supervised guardianship, which can be time consuming and expensive.

START THE CONVERSATION

The fact that you have an estate plan in place may be news to your children or other close family members. Sharing this news can start a good discussion. You have goals for what you want to accomplish with your estate plan, both for you personally and for your family or other designated beneficiaries. Share these goals with your children or other family members. Such goals could include your desire to leave a charitable legacy or your hope

that your children will have a safety net in times of need. This goal sharing may help your family understand the structure of your estate plan, particularly if your plan involves the formation of various trusts.

WHERE ARE YOUR DOCUMENTS?

Your designated fiduciaries—your personal representative, trustee, and attorneys in fact—should know where you keep your estate planning documents. You can also give copies of your documents to your named fiduciaries if you feel comfortable doing so, particularly if they are asked to participate in the administration of your estate or are named to act on your behalf if you become incapacitated. For many of our clients, we keep the original documents in our firm's vault. Make sure your designees have your attorney's contact information.

UPDATING YOUR PLAN

At K&L Gates, our private clients, trusts & estates team is ready to assist you in updating your estate planning documents. We can structure documents so you can sign them without the need to come to our office. Contact your attorney today to discuss how we can help you review your current plan and make any needed updates. We also would be happy to discuss additional estate and tax planning strategies with you.

KEY CONTACTS



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