



DON'T TAX YOURSELF

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Estate Planning for Empty Nesters

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Your youngest child is finally off to college. The spare bedroom is now a cozy den. The weekly grocery bill has been cut in half. Even the dog is enjoying the peace and quiet. What to do with your newfound freedom? Before you pack up the RV for that long-planned trip to the National Parks, think about updating your estate plan first!

Empty nesters have many good reasons to brush off their estate plans (or to establish a first estate plan). Here are a few:

- Your children are not only out of the house, they are also adults now. You no longer need to worry about which of their aunts and uncles would make the best guardian for them. The “standby” trust you may have included in your wills long ago, when they were minors, may no longer reflect your wishes about when the children will receive their inheritance from you, or who will serve as their trustee.
- Your assets may be substantially more valuable than they were when you last revisited your estate plan. Life insurance, tax-deferred retirement accounts, taxable investments and even your home should all be reviewed and factored into your planning decisions. Estate, gift and income taxes are all relevant to the discussion with your advisor.
- If you own or co-own a business that comprises a significant part of your estate, you should seek advice about business succession planning. You may be thinking about selling the business now that educational expenses are finished. Even if you have already identified the future owners of the business, there are other legal, financial and tax issues to be considered and incorporated into your estate plan.
- You may have parents whose estate plan could affect your planning decisions. A discussion between you and parents, or between your respective estate planning attorneys, could be helpful in resolving inter-generational transfer and tax issues.
- Your children may be old enough—and even mature enough—to designate them in one or more fiduciary positions in your estate planning documents (e.g., personal representative, trustee, power of attorney agent and health care agent).

- Your children may be thinking about starting their careers, marrying and having children of their own, buying homes and even starting their own businesses. Changing family circumstances often lead to changes in estate planning decisions.
- If you are charitably inclined, you may want to seek legal and tax advice regarding present and future planned giving opportunities, which can create significant tax savings while benefiting your favorite nonprofit organizations. Life insurance, investments and other assets which may have been maintained to “get the kids through college” may now be available—at least in part—for charitable giving purposes.

Columbus Day has already come and gone. Make an appointment to visit your estate planning attorney while it’s still quiet and you have the free time. The kids will be home for the holidays before you know it!