THURSDAY, JUNE 25, 2020 | SERVING CHICAGO'S LEGAL COMMUNITY FOR 164 YEARS | CHICAGOLAWBULLETIN.COM

Chicago Daily Law Bulletin®

VOLUME 166, NO. 103

LAW BULLETIN MEDIA.

Now, amid COVID-19, is the time to review your estate plan

The COVID-19 pandemic has forever altered reality for individuals across the globe. The growing number of cases and deaths are reported hourly, and the stay-at-home orders have dramatically impacted every aspect of our daily lives — personally and professionally. This deadly disease has placed the harsh reality of our impermanence at the forefront of discussion and has caused countless clients to reach out, interested in getting their estates in order.

One silver lining for so many has been how this altered reality has refocused individual priorities, so that family dinners and time together are now celebrated and practiced during this extraordinary time. Yet again, loved ones and relationships are top of mind, along with the legacy you wish to leave. In times of stress, we are often drawn to focusing on those things we can control — and your estate is one of them.

In an effort to address many of your growing questions and concerns, please access the hyperlinked headlines below to review several pieces about estate planning, which may help guide you through this process.

Estate planning basics something everyone should be familiar with

Unfortunately, a will is not enough to avoid the $100,000 threshold of probate. To best ensure your estate can avoid the court system it should include a revocable living trust. Typically, four documents serve as the foundation for your estate plan: a pour-over will; a revocable living trust; a power of attorney for property; and a power of attorney for healthcare.

Estate planning in the era of the coronavirus

The COVID-19 pandemic created challenges for clients looking to execute their estate planning documents in accordance with proper formalities of disinterested witnesses and notaries. Although the governor issued an executive order allowing for remote witnessing and notarization, there are several stringent requirements that must be met. This has forced many practitioners to create concierge-like options offering "driveway signings" to help clients get their documents in place in the safest and most efficient manner.

New trust code is yet another reason to review your estate plan

For clients with existing living trusts, the new Illinois Trust Code brings to light some important administrative considerations. Under the new law, trustees would be required to provide notice and an accounting to current and contingent beneficiaries. However, by updating your trusts to incorporate language addressing this issue, contingent beneficiaries would not be entitled to an accounting. Although the updates would have no effect on the trust during your lifetime, it could help to eliminate some of the administrative steps for the trustee after you are gone.

THE BUZZ

LINDSEY PAIGE MARKUS

LINDSEY PAIGE MARKUS*, a shareholder at Chuhak & Tecson P.C., draws on her early career in business, finance and clinically applied neuroscience to communicate with clients and develop creative solutions to fit their estate planning, wealth protection and corporate needs. Lindsey is a dynamic contributor to local news outlets, and has been recognized one of the 40 Under Forty.*

Federal tax legislation lays out estate tax regime through 2025

The increase in the exemption amount to $11.58 million at the federal level is only temporary. In 2026, exemption amounts will revert to 2017 levels. And while the federal exemption is high, the state of Illinois exemption is only $4 million.

New tax law bonus for some, but you must know the rules

While the idea of parting with up to $23.16 million may create some hesitation, there are countless ways planning can be customized to suit your particular goals. You now have the option of passing $11.58 million at death or gifting it during your lifetime. And when the exemption drops in 2026 so will the amount you can gift over your lifetime. Many clients are racing to use it before they lose it.

Important reasons and tips to update an estate plan

Over time, laws change and planning techniques evolve. Some popular planning tools 10 to 20 years ago are no longer popular, as practitioners have found more efficient ways to leave assets while providing greater asset protection and wealth transfer benefits. Ensure that assets are passed to designated beneficiaries such as family, friends and charitable organizations rather than to federal and state governments or the creditors of a beneficiary.

Funding the future: Grandparents have many ways to help loved ones

Strategic estate planning options are abound, and they can meet the specific needs of your family members as well as preserve wealth from generation to generation. Time and again clients express an interest in providing for their grandchildren. Learn some easy tips on how to gift effectively.

Annual gifts: An effective way to transfer wealth

Each year, you can gift $15,000 per person (or $30,000 for a married couple). These annual gift exclusions are in addition to the lifetime exemptions. Thus, if you fail to make annual gifts you lose out on a valuable opportunity to transfer wealth during your lifetime in a tax-free manner. Learn how annual gifts can be tax efficient and provide for loved ones. And, gifting doesn't only have to be to children or grandchildren. For clients concerned with ever needing the funds in the future, gifts can be made to a trust for the benefit of a spouse to help alleviate any concerns.