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Why Reviewing Your Trust Regularly Isn't Optional—It's Essential

You've taken the important step of creating an estate plan, and it includes a trust—congratulations! This shows you care deeply about keeping your family out of court and conflict, ensuring your wishes are known and honored, and you do not want to leave behind a mess for the people you love. Great work. But here's something you may not realize: an estate plan, a will, or a trust isn't a "set it and forget it" type of thing. Your estate plan is a living set of documents and tools that need regular attention to ensure they work when your loved ones need them and that they don't fail at the worst possible moment.

Think about it this way: Would you still wear the same clothes you bought ten years ago without checking if they still fit? Probably not. Similarly, your estate plan, including your trust, needs to be reviewed regularly to ensure it still "fits" your current life situation, assets, the law, and your wishes. Let's explore why regular estate plan reviews are so crucial and how often you should be checking in on your plan.

Life Changes, and Your Trust Should Too

Life rarely stays the same for long. Since you created your trust, you've likely experienced changes in your personal and financial life. Each of these changes can impact how effective your trust will be in protecting your assets and providing for your loved ones.

Consider major life events like marriage, divorce, or the birth of children or grandchildren. These milestones fundamentally alter your family structure and potentially your wishes regarding who should benefit from your estate. For example, if you've recently welcomed a new grandchild, you might want to include them as a beneficiary. Or if you've gone through a divorce, you'll likely want to remove your ex-spouse from your trust.

Your financial situation evolves as well. Perhaps you've purchased new property, started a business, or received an inheritance. These assets need to be properly incorporated into your trust. Otherwise, they may end up going through probate, defeating one of the primary purposes of having a trust in the first place.

Even changes in your relationships can necessitate updates to your trust. The person you appointed as successor trustee five years ago might no longer be the best choice. Without regular reviews, your trust may not accomplish what you



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intend, potentially leading to conflict among your loved ones or assets being distributed in ways you never would have wanted.

Laws Change, Even When Your Wishes Don't

Even if your personal situation has remained relatively stable, the legal and tax landscape constantly evolves. These changes can significantly impact how your trust operates and its effectiveness in protecting your assets.

Tax laws, in particular, frequently change with new administrations and shifting political priorities. For instance, the Tax Cuts and Jobs Act of 2017 doubled the federal estate tax exemption, dramatically changing estate planning considerations for many families. If your trust was created before this change, it might contain provisions that are no longer necessary or beneficial under current law.

State laws governing trusts and estates also change regularly. These modifications can affect everything from how your trust is administered to the rights of beneficiaries. Without regular reviews, your trust might not take advantage of beneficial new laws or might run afoul of new requirements.

By reviewing your trust periodically, you can ensure it remains compliant with current laws and takes advantage of any new beneficial provisions. This proactive approach helps protect your assets and your loved ones from unexpected legal complications.

How Often Should You Review Your Trust?

Given the importance of keeping your trust updated, you might be wondering how frequently you should review it. While there's no one-size-fits-all answer, there are some general guidelines that can help you determine the right schedule for your situation.

As a baseline, I recommend reviewing your trust every three to five years, even if you don't think anything significant has changed. This regular schedule helps ensure you don't overlook gradual changes that might have occurred in your life, your assets, or the law.

However, certain life events should trigger an immediate review, regardless of when you last updated your trust:

- Marriage, divorce, or the death of a spouse
- Birth or adoption of children or grandchildren
- Death of a named trustee, guardian, or beneficiary
- Significant changes in your financial situation
- Moving to a new state, as trust laws vary by state



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- Major changes in tax or estate planning laws

The Consequences of an Outdated Trust Can Be Severe

Failing to review and update your trust regularly can lead to serious consequences that undermine your initial reasons for creating it. These consequences can range from financial losses to family conflicts that could have been avoided with proper planning.

One of the most significant risks is that assets you've acquired since creating your trust may not be properly funded into it. Trust funding—the process of transferring assets into your trust's ownership—is crucial for avoiding probate. If you've purchased new property, opened new accounts, or acquired valuable assets without transferring them to your trust, these items will likely go through probate despite your efforts to avoid it.

An outdated trust can also lead to unintended beneficiaries receiving your assets. If you haven't updated your trust after major life changes, your assets might go to people you no longer wish to benefit—or might not go to those you do want to include.

Family conflict is another potential consequence of an outdated trust. Unclear or outdated provisions can leave your loved ones arguing over what you really intended. These disputes can damage family relationships and lead to expensive, time-consuming litigation.

Tax consequences can also arise from an outdated trust. Changes in tax laws might mean your trust no longer minimizes estate taxes effectively. Without updates to address these changes, your beneficiaries might face larger tax bills than necessary, reducing their inheritance.

Finally, know that reviewing your trust doesn't always mean you'll need to make changes. Sometimes you'll find that your current trust still perfectly reflects your wishes and circumstances. Even then, the review process is valuable for refreshing your understanding of your plan and giving you peace of mind.

Don't Leave Your Family's Future to Chance

Your trust is more than just a legal document—it's a reflection of your care for your loved ones and your desire to provide for them even when you're no longer here. By reviewing your trust regularly, you demonstrate that same care and foresight. You also save your loved ones from potential confusion, conflict, and costly legal proceedings during an already difficult time.

As your Personal Family Lawyer® Firm, I'm here to support you in this ongoing process. I understand that reviewing legal documents isn't high on anyone's list of favorite activities, but I work to make the process as simple and painless as



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possible, and build it into my own service ongoing, once we are working together. Don't leave your family's future to chance. Schedule a plan review with me today and ensure the plan you've created will work exactly as you intend when your loved ones need it most.

Book a call here to learn how to get started:

<https://calendly.com/lauren-tlppc>

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