

Estate Tax Lessons from 2010 and Things to Watch Out for in 2011

**By Matthew Crider, JD
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We all know from the many news stories of last year that estate tax laws are not set in stone, they can fluctuate and change both at the state and the federal level; and as this article in Forbes points out, keeping up with those fluctuations can be of the utmost importance to you and your loved ones.

The many celebrity news stories we saw last year provide all the examples we need of what can happen when you plan well (as was the case with Brittany Murphy's estate plan) or when you neglect your estate plan—or even worse, when you fail to plan at all. Here are some celebrity examples of common estate planning pitfalls and mistakes:

Failing to update your estate plan. We tell all of our clients how important it is to review and update your estate plan every 2 to 5 years; Gary Coleman provides a prime example of what can happen if you neglect to follow through on those updates and reviews. “[Coleman] created a handwritten codicil to his will in 2007 leaving much of his estate to his wife, Shannon Price. After they divorced, however, Coleman never updated his will or created a new one. That led to a court fight after he died about whether Coleman was still married to Price. Even though they never officially tied the knot for a second time, Price claimed they had a ‘common-law marriage,’ which would mean that the handwritten will would be valid.”

Failing to fund your estate plan. A revocable living trust is a wonderful tool, but it's just an empty vessel until you fund it by re-titling your assets in the name of your trust. Michael Jackson created what is most likely a wonderful living trust, but his failure to fund it properly means that 2010 saw “The estate of Michael Jackson... dragged on with no end in sight.”

Waiting too long to create your plan. If you are a senior citizen, waiting too long to create your plan leaves you open to the exploitation or undue influence of acquaintances or family members who might try to take advantage of you. Even if nothing of the sort has taken place, just the suspicion of undue influence can land your estate in a lengthy court battle. “Does the Anna Nicole Smith case come to mind? The United States Supreme Court ruled in 2010 that it will hear her case for the second time. Did she wrongly take advantage of her 90-year old husband, or did his son use fraud and other improper means to stop the billionaire from leaving money to Anna Nicole?”

We can all benefit from the very public airings of these celebrity estates. Our office can help you avoid the mistakes listed here, plus many more. The new laws of 2011 provide the perfect opportunity to create a plan (or update your existing plan), and ensure that your family will be well protected now, and in the future.

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About Matthew Crider, J.D.

Matthew Crider formed [Crider Law PC](http://www.criderlaw.net) 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.

