

Estate Planning Considerations in the Time of COVID-19

Karen A. Evans, Lauren M. Ahern and Brian R. Selvin

Greenbaum, Rowe, Smith & Davis LLP Client Alert

April 28, 2020

The COVID-19 pandemic has created an atmosphere of stress of a magnitude which is virtually unprecedented in most of our lifetimes. The reality of this crisis has forced many individuals to examine what they can do to protect themselves and their families. A focus on estate planning, while not the most immediate means of providing that protection, does provide an important mechanism by which we can help plan for the security of our loved ones during highly uncertain times.

A comprehensive estate plan should, at minimum, consist of a Durable Power of Attorney, a Health Care Directive, and a Will. It is equally important to ensure that the **beneficiary designations for assets** such as life insurance policies and retirement accounts have been thoroughly reviewed and updated to comport with the terms of the Will and the entire dispositive plan. It is generally recommended that an estate plan be reviewed at least every five years. However, in the event of legislative changes, material changes in assets, family circumstances or personal objectives, the plan should be reviewed sooner.

In addressing the unique challenges we now face in light of social distancing protocol, it is important to recognize that **an estate plan can be formulated and reviewed remotely**. It is not necessary to meet with your attorney in person to discuss the terms of your estate plan, or to review the terms of your existing plan. In-depth discussions can take place via secured telephone conference, video conference, and through encrypted email. Documents can be drafted and sent to you for your review via insured and tracked parcel service. In addition, with recent legislative changes in New Jersey and while current distancing restrictions remain in place, **in person meetings are not necessarily required for document signings**.

The pandemic has also created certain opportunities for lifetime wealth transfers. Currently, we are seeing significant reductions in asset values and extraordinarily low interest rates. These two factors in combination

Attorneys

Lauren M. Ahern

Brian R. Selvin

Published Articles (Cont.)

create a highly **favorable environment for a wealth management strategy** whereby assets are transferred, either by gift or sale at their currently depressed values, out of an individual's name, outright or into trusts which have been established for the benefit of the individual, his or her spouse, and/or his or her descendants.

Another opportunity presented by the current low interest rate environment is the ability to refinance or consolidate intrafamily loans secured by existing promissory notes bearing a higher interest rate.

The information provided above outlines only a few of many opportunities which may be available based upon your assets, your family situation, and your objectives.

Please contact the authors of this Alert with questions about your current estate plan or to discuss changes you might want to consider, including efficient tax planning strategies.

Karen A. Evans

Counsel – **Tax, Trusts & Estates Department**
kevens@greenbaumlaw.com | 732.476.2480

Lauren M. Ahern

Counsel – **Tax, Trusts & Estates Department**
lahern@greenbaumlaw.com | 732.476.2398

Brian R. Selvin

Partner – **Tax, Trusts & Estates Department**
bselvin@greenbaumlaw.com | 732.476.2434