BANCROFT

FOR ADVISORS AND THEIR CLIENTS

Annual Review & Life Event Guide

A structured framework for reviewing an estate plan every year and responding to the life events that require immediate attention.

ABOUT THIS GUIDE

This guide is provided for informational and organizational purposes only. It does not constitute legal, tax, or financial advice. Estate planning involves state-specific laws and individual circumstances that require professional guidance. Consult with your financial advisor, attorney, and tax advisor before making decisions about your estate plan.

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Why Reviews Matter

An estate plan is not a filing cabinet document. It is an active system that must stay aligned with your life, your assets, and the law. When it drifts out of alignment, the consequences are real: assets going to the wrong person, an ex-spouse retaining control, or a trust that owns nothing.

73%	27%	46%
OF ESTATE PLANS ARE NEVER UPDATED AFTER THEY ARE FIRST CREATED	OF PEOPLE UPDATE THEIR PLAN WITHIN 1 TO 4 YEARS	OF NAMED EXECUTORS WERE UNAWARE A WILL EXISTED UNTIL AFTER DEATH

These numbers represent real families where the plan failed, not because it was never created, but because it was never maintained. An annual review takes 15 to 20 minutes. The cost of not reviewing is measured in years of probate, family conflict, and assets lost to the wrong person.

The Annual Review

Every estate plan should be reviewed at least once per year. The annual review is not a full document rewrite. It is a focused check on 10 items that catch the most common failures. Complete this with your financial advisor during your annual planning meeting.

1. Beneficiary designations

- [ ] Confirm retirement account beneficiaries. IRAs, 401(k), 403(b), pension. Primary and contingent. These pass by designation, not by will or trust.
- [ ] Confirm life insurance beneficiaries. Primary and contingent on every policy. Verify alignment with plan structure.
- [ ] Confirm annuity and HSA beneficiaries. Often overlooked. Verify primary and contingent designations.
- [ ] Check POD/TOD designations on bank and brokerage accounts. These override the will and trust. Confirm they still match your intentions.

2. Trust funding

- [ ] Were new accounts opened this year? Any new bank, brokerage, or investment account should be titled in the trust or have a POD/TOD to the trust.

- [ ] Was real estate acquired or sold? New property must be deeded to the trust. Sold property should be removed from the asset schedule.
- [ ] Were business interests created or restructured? New LLC interests, partnerships, or corporate shares may need to be assigned to the trust.

3. Named agents and fiduciaries

- [ ] Is your executor still willing and able to serve? Consider age, health, proximity, and willingness. Confirm your backup is still appropriate.
- [ ] Is your trustee / successor trustee still appropriate? A trustee who was the right choice five years ago may not be today.
- [ ] Are your POA agents still the right people? Both financial and healthcare. Confirm they know they are named and understand the role.
- [ ] Is your guardian designation still current? If children have turned 18, this may no longer apply. If circumstances have changed, update.

4. Life events since last review

- [ ] Marriage, divorce, or separation
- [ ] Birth, adoption, or death in the family
- [ ] Move to a different state
- [ ] Significant change in income or net worth (20%+)
- [ ] Retirement or change in employment
- [ ] Health diagnosis for you or a dependent

5. Document validity

- [ ] Did you move to a new state since documents were signed? POAs, healthcare directives, and trust provisions may not be fully recognized across state lines. Consult your attorney.
- [ ] Have any state laws changed that affect your plan? Tax exemptions, trust taxation, probate thresholds, and community property rules change over time.
- [ ] Are all documents still signed, witnessed, and notarized per current requirements?

6. Insurance review

- [ ] Is life insurance coverage still adequate? Coverage needs change as children grow, debts decrease, and income changes.

- [ ] Are policies performing as expected? Universal and variable policies may need premium adjustments.
- [ ] Is long-term care insurance in place or under consideration?

7. Digital assets

- [ ] Were new digital accounts or crypto wallets opened?
- [ ] Is your digital asset inventory current?
- [ ] Does your designated person have access to your password manager?

8. Document storage

- [ ] Do your agents know where to find the documents? If you moved or changed storage, update everyone who needs access.
- [ ] Are digital backups current?

> **The 3-year full review.** In addition to the annual check, schedule a full review every three years with your advisor and attorney. The full review looks at whether the overall structure (trust type, distribution strategy, tax planning) still fits your situation. The annual review catches drift. The 3-year review catches structural changes.

Life Events That Trigger an Immediate Review

Some changes cannot wait for the annual review. The events below should trigger a review within 30 to 60 days. Each event lists the specific documents and items that must be checked.

Marriage

Review: Will or trust distribution plan, beneficiary designations on all accounts, POA and healthcare agent designations, guardian nominations, account titling. Action: Update beneficiaries to include spouse. Consider whether a trust is now appropriate. Retitle jointly held assets if needed. Update healthcare directive to include spouse as agent.

Divorce or separation

Review: Every document, including will, trust, POAs, healthcare directive, beneficiary designations, account titling. Action: Remove ex-spouse from all designations and fiduciary roles immediately. Note: some states automatically revoke spousal designations at divorce, but many do not.

Retirement account designations (governed by ERISA) are not automatically revoked. Do not assume anything has been handled.

Birth or adoption of a child

Review: Guardian nomination, will or trust distribution plan, life insurance coverage. Action: Name a guardian. Add the child to the distribution plan. Consider whether to create or update a trust for minor children. Review life insurance to ensure adequate coverage for dependents.

Death of a spouse, beneficiary, or named agent

Review: All documents naming the deceased. Beneficiary designations, fiduciary roles (executor, trustee, POA agent, guardian). Action: Activate successor designations or name new agents. Update all beneficiary designations. Review whether plan structure still makes sense for a single person or surviving family.

Move to a different state

Review: All documents, especially POAs, healthcare directives, and trust provisions. Action: Consult an attorney in the new state. Many documents are portable, but some are not. Community property vs. common law, probate thresholds, and healthcare directive requirements vary significantly. Trust situs may need to change.

Purchase or sale of real estate

Review: Trust asset schedule, account titling. Action: Deed new property into the trust. Remove sold property from the trust schedule. If property is in another state, confirm the trust is recognized there (avoids ancillary probate).

Starting, selling, or dissolving a business

Review: Trust asset schedule, buy-sell agreements, key-person insurance, succession plan. Action: Assign new business interests to the trust. Upon sale, update the plan to reflect the liquidity event. Review buy-sell provisions if adding partners.

Significant change in income or net worth (20%+)

Review: Life insurance adequacy, distribution plan, trust structure, tax exposure. Action: A major increase may warrant irrevocable trusts, gifting strategies, or charitable vehicles. A major decrease may mean simplifying the plan or reducing insurance.

Retirement

Review: Beneficiary designations on retirement accounts, distribution strategy, healthcare coverage, long-term care planning. Action: Review RMDs and how they interact with the estate plan. Consider Roth conversions. Confirm healthcare directive and POA are current.

Diagnosis of serious illness or disability

Review: Healthcare directive, healthcare POA, financial POA, trust provisions for incapacity. Action: Confirm agents know they are named. Provide healthcare documents to all treating physicians. If a dependent is diagnosed, evaluate special needs trust.

Major tax law changes

Review: Estate and gift tax exemptions, trust taxation rules, income tax brackets. Action: The federal estate tax exemption is scheduled to sunset in 2026. State thresholds vary from $1M to $13.61M. Review with your advisor and attorney when law changes.

Grandchildren

Review: Distribution plan, generation-skipping provisions, 529 plan beneficiaries. Action: Consider including grandchildren in the distribution plan. Review GST tax implications. Update 529 beneficiaries if establishing education funding.

Quick Reference: What to Review by Event

Use this table to quickly identify which documents and items to check for each life event.

LIFE EVENT	DOCUMENTS TO REVIEW	ITEMS TO CHECK
Marriage	Will/Trust, POAs, Healthcare Dir.	Beneficiaries, agents, distribution, titling
Divorce	All documents	Remove ex-spouse from every role and designation
New child	Will/Trust, Life Insurance	Guardian, distribution, coverage adequacy
Death	All docs naming deceased	Successor agents, beneficiaries, plan structure
State move	POAs, Healthcare Dir., Trust	Document validity, state-specific requirements
Real estate	Trust asset schedule	Deed to trust, remove sold properties

LIFE EVENT	DOCUMENTS TO REVIEW	ITEMS TO CHECK
Business change	Trust, buy-sell, key-person ins.	Interest assignment, succession plan
Net worth change	Trust, Life Insurance	Plan structure, insurance, tax exposure
Retirement	Retirement accts, Healthcare Dir.	RMDs, beneficiaries, incapacity planning
Illness	Healthcare Dir., POAs, Trust	Agent awareness, physician copies, POA scope
Tax law change	Trust, Will	Exemptions, trust taxation, state thresholds
Grandchildren	Trust, 529 plans	Distribution, GST provisions, education funding

Review Log

Document each review here. Bring this to your annual meeting.

DATE	TYPE	ITEMS REVIEWED / CHANGES MADE	FOLLOW-UP NEEDED

CLIENT NAME

ADVISOR NAME

____

DATE OF REVIEW

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