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Insights: Publications

# Estate Planning Awareness Month: Highlights in the World of Estate Planning

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As Estate Planning Awareness Month comes to an end, the Private Client attorneys at Kilpatrick would like to share some reminders and updates in the world of estate planning.

**Reasons to Review your Estate Plan**

Basic estate planning documents, including Wills, Revocable Trusts, and Powers of Attorney, should be reviewed periodically to ensure that your wishes are reflected in your documents, and to keep up with current law. If you have had a major life change in 2024, such as a move, new addition to your family, sale of property, or sale of your business, or anticipate a major life event in 2025, your estate plan should be reviewed to confirm that it aligns with your wishes.

This month is a reminder that regardless of age, occupation, income, or location, estate planning is for everyone. A basic estate plan creates security for your family's future and provides protection and direction in the event of incapacity or death. If you would like to review and refresh your estate plan, reach out to your Kilpatrick attorney.

**Putting Your Trust into Action**

If you have a Trust, whether revocable or irrevocable, Estate Planning Awareness Month is also a reminder to review your current assets and confirm that all assets are properly titled to give full effect to the provisions of your Trust. You should also verify that your current beneficiary designations for retirement accounts and insurance policies align with your plan. Your Kilpatrick attorney can guide you through our recommendations for effective trust funding and asset retitling.

**Gift Tax Changes for 2025**

The IRS has announced that the annual gift tax exclusion for 2025 will be $19,000, up from $18,000 in 2024. A taxpayer can gift up to the annual exclusion amount without necessitating a gift tax return. This gift exclusion is calculated per donee, not per taxpayer, so a taxpayer can make several gifts up to $18,000 each before the end of this year without using any of their lifetime exclusion. If you plan to make any gifts before the end of the year, remember that the gift must be received and deposited by the donee by December 31, 2024 to be included as a 2024 gift.

The IRS has also announced that the lifetime federal exclusion amount for estate and gift tax will go up to $13.99 million in 2025, an increase from $13.61 million in 2024. The exclusion amount is due to sunset on

January 1, 2026 to an inflation-adjusted $5 million, absent action from Congress to change current tax law—in essence, the exclusion will be cut in half. Once the sunset occurs, a taxpayer's unused exemption up to the $13.99 million threshold is gone, so if you are considered any major gifting for estate tax planning, you should act before the end of 2025. Significant gifting requires planning in advance, and your Kilpatrick attorneys can work with you to plan your gift strategy.

## Related People


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