



Is Your “Check Estate Plan” Light On? Why Estate Plans Need Routine Maintenance

Your car’s dashboard has a check engine light for a reason: the engine that ran perfectly in 2019 may have a problem today that the driver cannot see.

Estate plans, unfortunately, do not work the same way. An estate plan drafted a decade ago may have been precisely engineered for your life at that moment, but lives change, tax laws change, assets change, and relationships change. The estate planning binder sitting in your drawer does not know about any of that.

This article explains why estate planning is not a one-time event but an ongoing process, identifies a few specific triggers that warrant immediate attention, and outlines best practices that keep a plan effective despite life changes.

Your Estate Plan is Not a Time Capsule

“I did my trust five years ago, so I think I’m all set.”

This hesitation to revisit the land of death and taxes is understandable. Drafting an estate plan requires significant time, emotional energy, and legal fees, and there is a natural human tendency to file it away and declare victory. But the moment the ink dries, the facts on which the plan was built begin to change.

The mechanics of a well-drafted trust or will do not expire, but the assumptions baked into those documents do:

- A bypass trust provision calibrated to a \$5 million estate tax exemption may produce unintended consequences in a world where the federal exemption has risen to \$15 million per person in 2026.

- A successor trustee who was a reliable 50-year-old professional in 2014 may be dealing with health or cognitive challenges today.
- A beneficiary designation on a life insurance policy that named a former spouse may still be valid and enforceable, regardless of what the trust says, because beneficiary designations are contractual obligations governed by the financial institution, not the estate plan.

These are not hypothetical risks. They occur in real families with distressing regularity.

In my experience, the families who avoid the most painful estate administration problems are not necessarily those with the most sophisticated planning documents. They are the families who treat their estate plan as a living document and review it with counsel on a regular cadence, and whenever a significant life event occurs.

The Business Sale: When Your Net Worth Changes Overnight

Few events recalibrate an estate plan as dramatically and as quickly as the sale of a closely held business. Consider a business owner, David, age 60, who built a manufacturing company over 30 years. David has a revocable trust, a pour-over will, and a modest life insurance policy.

His estate plan was drafted when the company was worth \$3 million, and the rest of his assets totaled another \$2 million. At that time, his \$5 million estate comfortably fit beneath the federal exemption; estate tax was not a driving concern, and his plan focused primarily on succession and probate avoidance.

Then David sells the company for \$18 million. After taxes and deal costs, he deposits approximately \$13 million in liquidity into his investment accounts. His estate has now tripled, almost overnight, to roughly \$15 million. His existing estate plan, drafted for a \$5 million estate, has no provisions to address a possible taxable estate or to provide his children with creditor and divorce protection.

David's pre-sale estate plan is not wrong; it is simply obsolete. A post-liquidity review should address the structure of new accounts, trust funding, gifting strategy, charitable vehicles such as charitable remainder trusts or donor-advised funds, and updated fiduciary designations that reflect David's new financial reality.

Waiting until “things settle down” after a sale is one of the most common and costly mistakes in high-net-worth estate planning. Ideally, a client should check in with their estate planning counsel months in advance of a possible liquidity event to ensure that it is structured in a way that is tax efficient and also aligns with the client’s goals.

The Fiduciary Fitness Problem

When an estate plan is first drafted, the choice of successor trustee, personal representative, guardians for minor children, and an agent under a financial power of attorney typically reflects the trusted people in a client’s life at that moment: a sibling, a college friend, or a business partner. Those appointments often remain unchanged for years, even decades, while the actual fitness of those individuals for the roles evolves considerably.

Consider a client who named her older brother as successor trustee in 2008. He was sharp, organized, and lived nearby. By 2025, he has been diagnosed with early-stage cognitive decline, lives across the country, and has not managed his own assets for years.

Under the terms of the trust, he remains the designated first successor trustee. Unless the trust instrument includes a mechanism for voluntary resignation or removal, and unless the client reviews her plan and updates the appointment, her estate will be administered by a fiduciary who is neither able nor well-positioned to serve.

The same issue arises with naming who will have physical custody (i.e., be the guardian of) minor children. Clients will oftentimes name a guardian who has the same values as the client to care for young minor children (i.e., children under 10). However, when a child nears adulthood, that person might no longer be the best fit as clients who have older children tend to choose guardians who can keep the older minor child in the same social sphere and school location.

A thoughtful estate plan review examines not just who is named but whether each person remains an appropriate choice given their current health, location, financial sophistication, and relationship dynamics.

When You Cross State Lines

Relocating from one state to another is a major life event with significant estate planning implications that most people underestimate. Clients routinely move between states like Illinois or Oregon (separate property states) to states like Arizona or California (community property states). This type of a move can have a substantial impact on a client's estate plan.

For example, a married couple who spent decades in a separate property state and then retires to Arizona may have accumulated assets that lack the community property character that entitles surviving spouses to a full stepped-up income tax basis on both halves of jointly appreciated property. Conversely, a couple moving from Arizona to a separate property state may hold assets with community property origins that deserve careful documentation to preserve their tax character going forward.

Beyond tax character, state-specific rules govern homestead protections, creditor exemptions, and the validity of certain estate planning instruments. A trust drafted under Arizona law for an Arizona resident is not automatically optimal for a new resident of Oregon. A plan review after any interstate move is not optional; it is essential.

The Invisible Drift: Asset Titling and Beneficiary Designations

Even a perfectly drafted estate plan can be rendered ineffective by a single overlooked administrative detail: an asset that never made it into the trust. There is a common assumption that once the trust is signed, no further action is required. In reality, the trust only governs assets that are properly titled in its name or directed to it through legally valid beneficiary designations. An investment account left in an individual name, or a piece of real estate never deeded to the trust, passes outside the trust's terms entirely and may require full probate proceedings.

Beneficiary designations present a parallel and equally serious risk. Life insurance proceeds, IRAs, 401(k) accounts, and payable-on-death bank accounts all pass directly to the named beneficiary by contract, overriding whatever the trust or will provides. If a client's IRA names a deceased parent as primary beneficiary with no

contingent beneficiary identified, the account may be treated as part of the probate estate rather than passing according to the trust. If a brokerage account carries a transfer-on-death designation to one child, and the trust divides assets equally among three, the designated child receives the full account regardless of the trust's intent.

Every major life event (i.e., a new home purchase, a business acquisition, a financial account rollover, a divorce, a death in the family) is an opportunity for an asset to fall out of alignment with the estate plan. Routine reviews of account titling and beneficiary designations are not housekeeping tasks; they are the mechanics that make an estate plan actually work.

The Cost of Inaction

The families who suffer the most painful estate administration complications are not, in my experience, those who did no planning at all. They are the families who did careful planning 20 years ago and never looked at it again. The out-of-date trust, the unfunded account, the deceased trustee, the stale beneficiary designation: these are avoidable problems. They compound each other in ways that generate probate proceedings, family disputes, unnecessary tax exposure, and the very outcome that every estate plan is designed to prevent.

Treat your estate plan the way you treat your car: change the oil on schedule, and when the check light comes on, do not wait until the engine seizes.

A periodic review with a qualified estate planning attorney and coordination with your financial advisor and CPA is the most straightforward way to ensure that a plan drafted for the life you had continues to work for the life you have. The cost of that review is a fraction of the cost of getting it wrong.

Ten Triggers That Demand an Estate Plan Review

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✓	Trigger	Why It Matters
<input type="checkbox"/>	1. Pre-Business Sale or Pre- Major Liquidity Event	There may be planning opportunities to mitigate taxes or increase creditor protection.
<input type="checkbox"/>	2. Substantial Change in Asset Values	A dramatic increase or decrease in asset values may make an otherwise "perfect plan" no longer fit.
<input type="checkbox"/>	3. Marriage or Divorce	Alters beneficiary designations, fiduciary roles, community property character, and spousal rights.
<input type="checkbox"/>	4. Birth or Adoption of a Child or Grandchild	Update guardianship designations, trust shares, and educational planning provisions.
<input type="checkbox"/>	5. Death or Incapacity of a Named Fiduciary	Successor trustees, personal representatives, or agents may need replacement.
<input type="checkbox"/>	6. Interstate Relocation	Moving between community/separate property states or in/out of a state with estate tax requires document updates.
<input type="checkbox"/>	7. Significant Tax Law Changes	Changes to tax laws can have a dramatic effect on documents, especially older documents where tax planning used dollar amounts.
<input type="checkbox"/>	8. Acquisition of Out-of-State Real Property	Analyze ancillary probate risk and fund properly under that state's deed requirements.
<input type="checkbox"/>	9. Change in a Beneficiary's Circumstances	Divorce, creditor issues, disability, or addiction may warrant updated distribution or spendthrift provisions.
<input type="checkbox"/>	10. Five or More Years Since Last Review	Even without a triggering event, stale fiduciary appointments, unfunded accounts, and changed tax laws accumulate.

Check the left box to flag a trigger that applies to your situation. Check the right box once your attorney has reviewed and addressed it.

This checklist is a planning tool and does not constitute legal advice. Consult a qualified estate planning attorney, financial advisor, and CPA before taking action.

This blog was drafted by [Samuel M. DiPietro](#), an attorney in the Spencer Fane Phoenix, Arizona, office. For more information, visit www.spencerfane.com.

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