



THE ASHCRAFT FIRM TALKS

2018 MIDTERM ELECTIONS: WHAT DO THEY MEAN FOR YOUR ESTATE PLAN?

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Estate planning is meant to be an ongoing process, not a one-time transaction. In the same way that you never stop budgeting, saving, and investing as you go through life, it is also sensible to see estate planning as a lifelong project. Let's look at some of the considerations you should make now that the 2018 midterm elections are in the history books.

PLANNING IN A FLUCTUATING POLITICAL CLIMATE

Estate plans must change when *you* experience any major life changes, such as marrying someone new or welcoming a child to the family.

But you also need to respond effectively to large-scale changes that are external to your personal life, such as legislation that impacts the way your assets are taxed. Regardless of your political leanings, it's safe to say the United States is continuing to experience a period of dramatic political and legal change.

Elections like the 2018 midterms — and the resulting political change — often create fear and anxiety about how the impact of new laws and tax policy will affect your life. But you can offset that uncertainty by focusing on making the smartest estate planning decisions possible in light of the results. We're watching the situation as it moves forward and will keep you informed of legal and tax changes that affect you and your loved ones.



THE MIDTERM SPLIT: DEMOCRATS WON THE HOUSE, REPUBLICANS KEPT THE SENATE

Before the midterm elections, it was unclear how legislation like the 2017 Tax Cuts and Jobs Act would be affected. Now that we know the House and Senate are split between Democratic and Republican control, it remains to be seen how well the parties will work together on a common agenda.

So what does a divided federal government mean for you? The budget reconciliation strategy the Republicans used to pass the Tax Act will no longer be as viable an option, which could slow additional legislation the Republican-controlled Senate proposes. [According to Kiplinger](#), "What is likely off the table with a Democratic House and Republican Senate is tax reform 2.0, which would make certain provisions of the 2017 tax law permanent, locking in individual and small business tax cuts. Social Security and Medicare reforms, which might have helped offset the effect of the tax cuts, are also likely off the table."

When the new Congress first convenes in January, we will continue to monitor proposed legislation so you are informed about potential risks and opportunities for your estate plan.

SOME THINGS ARE CONSTANT, NO MATTER WHO'S IN CHARGE

Amid so much political uncertainty, it's important to remember there are many foundational constants in estate planning that are important no matter who's in charge politically or what the tax laws look like. As part of your financial wellness team, we're staying informed and will be here to guide you in matters of estate planning.

In order for you to grow and retain your wealth, careful estate planning is always a necessity — regardless of which party controls Congress. Many things may change, but a lot will remain the same: no one can legislate away irresponsible spending, divorce, lawsuits, bankruptcy, sibling rivalry, and the many non-tax reasons to utilize estate planning. An up-to-date comprehensive estate plan remains the best option for passing along your wealth and your values to the next generation.

Will your estate plan do what want it to do? Is it customized to help you thrive in the current U.S. legislative landscape? Let's take a look. Give us a call today.

For more information on creating a comprehensive plan, call The Ashcraft Firm at (951)304-3431.

