

Changes in Illinois Estate Planning Laws
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Illinois recently passed two laws that affect estate planning.

The first new law allows us to name beneficiaries to our real estate, much like we name beneficiaries to a life insurance policy or IRA. The law only applies to residential real estate of no more than 40 acres, and requires an affidavit to be filed by the beneficiaries within two years after the death of the owner. For people who own only residential real estate of no more than 40 acres, this new law will allow them to avoid probate without setting up a trust.

The second law change allows homestead property held by a trust to be held as tenants by the entirety. Tenants by the entirety is a special way that married people can hold their home; it protects the home from the creditors of only one spouse. Before this law change, we had to choose whether we wanted creditor protection for our home or whether we wanted to keep the home out of probate. Now we can have both.