

NEW YORK ENACTS NEW POWER OF ATTORNEY LAW

We share this bulletin to update our clients on an important change in New York law governing powers of attorney which could impact your estate planning. This bulletin provides important information related to the changes. If you, or someone you know, is impacted by these changes or if you are uncertain about how this update applies to you, please call our office to schedule a consultation.

- A properly drafted Power of Attorney is a critical document which is a cornerstone of your estate plan. It can save you and your family from a time-consuming and expensive court proceeding called a guardianship. Unfortunately, the version in place prior to June 13, 2021 was extremely complicated and difficult to execute properly which led to a lot of costly litigation.
- The new law, which takes effect June 13, 2021, makes substantial changes, including adding a new witness requirement, to the Power of Attorney law in New York State. While Powers of Attorney executed before this date remain valid, there may be circumstances where it makes sense for you to execute a new Power of Attorney. To determine what is best for you, please call our office to schedule a consultation.
- All Powers of Attorney executed on or after June 13, 2021, must substantially conform with the new laws and utilize the new format.
- One of the major changes is that banks and other financial institutions are now required to honor or reject a statutory Power of Attorney within 10 business days. Previously, the law was unclear as to what the process was if a bank or financial institution refused to honor your Power of Attorney. Now, under certain circumstances, you may be entitled to money damages (including reasonable attorneys' fees) if your Power of Attorney is unreasonably rejected.
- The section of the Power of Attorney relating to your agent's authority to make gifts, including gifts for the purposes of protecting your assets from taxes or the costs of long-term care, has been completely overhauled and, hopefully, simplified.
- There's a lot more to the new law. Call us to see how it affects you.

Littman Krooks LLP encourages you to have your estate planning documents reviewed by our experienced estate planning and elder law attorneys. The passage of this new law is a good reminder that estate planning documents must be periodically reviewed and updated and we look forward to working with you to assure you have an effective estate plan in place. Contact us today at 914-684-2100 or 212-490-2020 or via email to vrusso@littmankrooks.com.