

## **It's Not Just Stuff: How to Plan for Personal Property in Your Estate**

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Family heirlooms, jewelry, artwork, and treasured household items often carry far more emotional value than financial worth. Because of this, when these items are not included in your estate plan, they easily become sources of conflict among heirs.

While families understandably tend to focus on financial accounts and real estate, disputes over something like an heirloom ring or antique table can create lasting rifts. Thoughtful planning may help prevent these issues and preserve family relationships.

### **Defining tangible personal property**

New Jersey law defines “tangible personal property” as items that can be seen, weighed, measured, felt, or touched. Common examples of tangible personal property are jewelry, furniture, artwork, collectibles, vehicles, and household goods. In contrast, cash, stocks and bonds, real estate, digital assets or business interests are intangible and therefore, by definition, not tangible personal property.

In some cases, classification isn't entirely straightforward. For example, a coin collection could be considered tangible property if valued for its collectible nature, or financial property if held primarily for metal value. This distinction matters because it can affect both tax treatment and how the property can be distributed.

### **Distributing property during your lifetime**

One option for distributing your assets is to make lifetime gifts, allowing you to pass along meaningful items while seeing your loved ones enjoy them.

In 2026:

- You may give up to \$19,000 per person annually without filing a gift tax return.
- Gifts above that amount count toward your lifetime exemption (\$15 million per individual, \$30 million for married couples)

However, there's an important tax consideration: recipients of lifetime gifts receive your original cost basis.

### **Example:**

If you purchased a painting for \$5,000 and gift it when it's worth \$50,000, the recipient may owe capital gains tax on the \$45,000 appreciation if they sell it.

By contrast, assets transferred at death typically receive a step-up in basis, meaning their value resets to current market value—potentially reducing capital gains taxes.

### **Creating an Effective Distribution Plan**

Under New Jersey law, you can use a personal property memorandum to direct who receives specific tangible items.

A few items are best practice for an enforceable personal property memorandum:

- The memorandum may be handwritten or typed and should be signed.
- Items and recipients must be described with reasonable clarity.
- Your Last Will must reference the memorandum.
- You may update it – or revoke it - at any time without witnesses or notarization.

This tool is flexible and especially useful for distributing personal belongings without constantly revising your Last Will.

### **Creating an Effective Distribution Plan**

To ensure your wishes are honored—and to minimize potential conflict—consider these steps:

- Document important items with photos and descriptions.
- Include estimated values and obtain professional appraisals for high-value assets.
- Communicate your plans with family members in advance: transparency may go a long way to avoiding future conflicts.
- Review your estate plan every 3–5 years and update as needed.

Also, make sure your memorandum is stored where your Executor can easily find it. If it isn't located promptly after probating your Last Will, distributions may be made, leading to claw back of items by your Executor or confusion and hostility among your heirs. To facilitate the distribution as you intend, the Memorandum is best kept with your original Last Will.

### **Final Thoughts**

Your personal belongings are more than assets.

They are a connection to your life story, your family's history, and the memories you've built together. While their dollar value may or may not be significant, the emotional value of these items warrants careful consideration and planning, to avoid misunderstandings and hurt feelings following your passing. A thoughtful distribution plan helps ensure those connections are honored while reducing the risk of conflict among loved ones.

Need help creating a distribution plan that respects your property and your family relationships? Contact our experienced [estate planning team](#) to schedule a consultation and ensure your personal property passes according to your wishes.