



# *Live Well. Leave Well.*

PLAN YOUR ESTATE FOR THOSE YOU LOVE

————— *A simple, practical estate planning guide.*

# TAKING CONTROL *OF THE FUTURE*

Dear Friends,

For many of us, estate planning can be an uncomfortable and even intimidating topic. It sounds like something for the wealthy. It seems like something that can wait until retirement. And none of us really wants to discuss or even think about our mortality.

But the truth is, estate planning is for everyone, and the time to create an estate plan is now. Thoughtful, advance planning on your part can be one of the best gifts you can give to your loved ones. You'll reduce the heartache, expense, and inconvenience they will endure later, when the time comes to settle your final affairs.

That's because estate planning is about taking control in the most important areas of your life—like your family, your business, and the charities and causes you care about the most. Without a plan, important decisions about your assets, your healthcare, and the care of your children are left to the courts and state laws to handle according to predetermined formulas.

You've worked hard to achieve what you have—whether it's a little, a lot, or somewhere in between—and you deserve the right to say what happens to it. An estate plan gives you the control you deserve, and will also bring about the realization of your philanthropic intentions for the charities and causes you care about.

We applaud you for taking this important step toward taking control over some of life's most important areas.

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## What This Guide Will Do For You

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- Take the fear out of estate planning.
- Prepare you to have intelligent conversations with your attorneys and financial planners and make informed decisions about what you've worked hard to earn.
- Help you consider your priorities, identify your goals, organize your thoughts — and get started!
- Introduce you to charitable planned giving strategies that can benefit you, your heirs, and the charities you care about.

## What This Guide Will Not Do

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- **Replace the need for professional advice.**  
This guide is intended to give you the basics and help you get started. Decisions about your estate and your legacy are important and long-lasting. Get advice and guidance from competent professionals.
- **Try to convince you to “disinherit” your heirs.**  
This guide includes information about how to make charitable giving part of your estate plan. The purpose is to introduce you to some of the creative, strategic planned giving tools that allow you to support the causes you care about and gain tax benefits for yourself and your family. The intention is not to make charitable gifts at the expense of your loved ones.

 **Quick Tip**

### *Are You a Veteran?*

The U.S. Department of Veterans Affairs offers benefits for which you or your dependents may be eligible, including:

A gravesite in one of more than 100 national cemeteries; opening and closing of the grave; perpetual care, a government headstone or marker; a grave liner; a certificate; reimbursement of burial expenses; and an American flag to drape over the casket.

Be sure to gather data relating to your service, such as Military Discharge Certificate, Report of Separation, and VA Claim Number, and keep them with the other important documents in this guide. When the time comes, your executor can work with the funeral director to arrange a veteran's burial and claim any benefits that may be due to your spouse and dependents. A Veteran's Affairs Benefits Counselor can offer more information: **800-827-1000** or **www.va.gov**.



## Why You Need a Will

Every good estate plan starts with a will. A will is one of the most important legal documents you'll ever complete. Among other things, it specifies how you intend your estate to be dispersed after your death, and names your trusted executor—someone who handles your will during probate. In other words, you get to decide who gets what, from family members to friends and charity. That includes all your assets, family heirlooms, and keepsakes.

Some people mistakenly believe they don't need a plan because their assets are owned jointly, and will simply pass to the surviving owner. Others believe their state's estate laws will ensure the fair and equal distribution of assets. But these misconceptions can have serious, negative repercussions for your estate and your loved ones.

A will allows you to designate a guardian for minor children or adults with special needs; establish trusts (See Page 12) and determine at what age your children or beneficiaries will receive their inheritance; and even designate a caretaker(s) for your pets.

A will allows you to make your final philanthropic intentions clear and helps you to establish your legacy. It's one of the simplest ways to leave a transformational gift to your favorite charities.

A will also specifies your final wishes. That should include burial instructions and any religious considerations, such as any special prayers or a funeral service, and even subsequent services or memorials.

Even if you are young and have very modest means, you should create a will. You should definitely create a will if you are married, have children, or have a substantial amount of assets.

Don't worry about being locked into a decision—you can change your will as often as you wish. This is important, as wills should be updated to account for life changes, such as the death of a beneficiary; sale of real estate or a business; divorce; additional children or grandchildren; or significant changes to your net worth.



## What Happens If I Don't Have a Will?

The legal term when someone dies without a will is "dying intestate." If you die intestate, the court will decide how to disburse your assets. Of course, the court doesn't know (or care) about your wishes for family and loved ones, or that you want to remember a few of your favorite charities in your will. And in some places, if you don't have any living relatives, your entire estate could go to the state. Without a will, the court will also select your executor and choose a guardian for your minor children.

And finally, without a will, your grieving loved ones will face the painful responsibility and expense of untangling your unnecessarily complicated affairs while also speculating about who should get what, and whether you had any philanthropic intentions—because, without a will, they'll have to guess.

## What Else is in an Estate Plan?

An estate plan is about more than setting up your heirs for success. It's also a way to prepare for your financial and medical care should you become incapacitated; provide instructions for your funeral; establish the most tax-efficient way to disperse your assets, and shape your legacy through various types of planned gifts.

In addition to your will, it's recommended that an estate plan include the following important legal documents:

- An Advanced Directive, or "Living Will," that outlines your wishes with respect to life support, artificial feeding, and other medical measures. This applies only when you are terminally ill and unable to communicate your wishes.
- A Medical Power of Attorney, which indicates who would make medical decisions for you, respectful of your faith and wishes, should you become incapacitated.
- A Durable Power of Attorney, which indicates who will handle financial matters on your behalf, should you become incapacitated.
- A Revocable Living Trust, while not appropriate in every situation, allows you to transfer assets into a trust and provides for management of your financial affairs during your life if you become incapacitated; at your death; and even far into the future. It allows trust assets to avoid probate and increases the chances that your estate will remain private. You can change a revocable trust's provisions at any time during your life. The named trustee could be you, a family member, or a lawyer.



### Quick Tip

*When it comes to your legacy, you deserve the best.*

If a loved one has heart problems, you're not going to take them to just anyone with an M.D. after their name. You want a cardiology specialist, right? Same goes here. When choosing an attorney or financial planner, don't settle for less than the best.

**Find an attorney who specializes in estate planning and interview certified public accountants or financial planners to find one you like.** Do your research!

You may also want to consult with:

- A life insurance professional
- A trust officer
- A charitable gift planner

## What Makes a Good Estate Plan?

An estate plan typically begins with writing a will, but it can also involve:

- Establishing trusts (See Page 12)
- Identifying or changing beneficiaries of life insurance policies and retirement accounts
- Selecting guardians for minor children
- Setting up “pay-on-death” (POD) and “transfer-on-death” (TOD) accounts so your bank and investment accounts can pass directly to the beneficiaries you’ve chosen without the courts getting involved.
- Providing lifetime income for yourself and others through charitable planned giving tools
- Minimizing taxes and other estate settlement costs
- Passing on business interests
- Providing for your charitable interests

### A good estate plan will accomplish the following:

- Secure the future financial welfare of your surviving spouse.
- Provide for the support or special needs of your children or grandchildren, especially minors with costly illnesses or disabilities.
- Provide or continue support to your favorite mission and other nonprofit organizations that are meaningful to you.
- Minimize the legal wrangling that occurs when settling the assets of an estate.
- Avoid the need to sell off assets by providing in advance for necessary expenses that will occur in the process of settling your estate.
- Coordinate all your legal documents into one cohesive package, which includes the people and organizations you wish to receive your insurance and retirement benefits.
- Prepare flexible documents to allow adjustments down the road when tax laws or life circumstances change.
- Avoid lawsuits, personal resentment, and confusion by making your intentions clear.
- Preserve your privacy. Once the estate is opened, the will becomes public. A good estate plan can keep prying eyes and nosy noses from otherwise invading your family’s private business.
- A good estate plan provides for the survival and perpetuation of your business.
- Reflect your values, interests, and wishes. Do you want your grandchildren to have a college education? Do you dream of furthering a certain mission, or helping a particular cause? You can make your plan a reflection of who you are and what’s most important to you.



### *A Note About Beneficiary Designations*

**What is a beneficiary designation?** A legal document that names an individual or charitable organization that will inherit an asset, such as life insurance or a retirement account, when the account owner passes away. Naming a beneficiary gives you control over who gets an asset after your death. If you do not specify beneficiaries, the account may have an automatic provision naming one for you, such as a spouse or child. But relying on that provision means your asset may not pass to the person or organization you intended.

If no beneficiaries are named, and the account(s) does not have a provision naming them, the asset(s) will likely pass into probate. This can cause delays, additional costs, and tax consequences for your heirs.

Remember to name contingent beneficiaries, in case the primary beneficiaries predecease you. And ensure you coordinate beneficiary designations with your will or trust, because they take precedence over your will or trust.



MAKE *GENEROSITY*  
A PART OF YOUR  
*GROWTH* STRATEGY





## It's Not Just About Your Stuff

Estate planning is about so much more than just your stuff. It's a way to extend your influence and values beyond your lifetime.

One way to make your estate plan a meaningful reflection of your values is by incorporating charitable giving into your plans. As a bonus, many charitable giving tools also return benefits to you and your loved ones. Talk with your financial planner and the planned giving officers at your favorite nonprofit and any other institutions you want to support. They can work together to make sure your goals are accomplished.



### Quick Tip

#### *All About Beneficiaries*

##### **3 Things to Keep in Mind**

Your beneficiary designations (not your will) control how certain assets, such as life insurance and retirement accounts, are distributed.

**Name them.** Read the beneficiary designation form instructions carefully, be specific in your instructions, and name primary and back-up beneficiaries.

**Update them.** As life goes on, your goals and priorities shift, certain accounts may grow more quickly than others, and family circumstances change. Do a review every 3-5 years and update beneficiaries as needed.

**Coordinate them with your will and trust.** Consult with professional planners to be sure your beneficiary designations work well together with the rest of your estate plan and take full advantage of tax benefits and planning opportunities.

**There are many charitable giving tools, but just to get your wheels turning, here are The Big Three:**

##### **A GIFT OF RETIREMENT ASSETS.**

During your lifetime retirement accounts are good for making money for you. But after your lifetime, they are mostly good for making money for Uncle Sam. When you designate retirement plan assets to your heirs, taxes can slice away as much as 70 percent before your loved ones see a penny! Using a retirement account to make a charitable gift can be a savvy way to protect your assets, provide significant support to a cause you care about, and preserve your estate for your heirs.

##### **A GIFT THROUGH YOUR WILL OR TRUST.**

This is the easiest and most popular of all planned gifts. It costs you nothing during your lifetime and leaves a powerful impact. A gift through your will or trust is known as a bequest.

- It is flexible. You can give a specific asset or a share of what's left over after your heirs are cared for.
- It is revocable. You can easily revise your plans if your life circumstances change.
- It is simple. A simple paragraph or a one-page amendment to your existing documents is all it takes.

##### **A GIFT THAT PAYS YOU BACK.**

A charitable gift annuity (often referred to as a CGA) is a popular gift planning strategy that provides tax-favored income for you and support for a mission you care about. Here's how a CGA works: You give cash or other assets to the nonprofit organization to invest. The nonprofit contracts to pay you and/or a loved one a fixed amount annually for life. The payout rates are based on your age at the time you make the gift. They are often equal to or even higher than the interest rate you had been receiving on the assets you use to fund your CGA. You'll receive a charitable deduction in the year you create the annuity, and only a portion of each annuity payment will be taxed as ordinary income. When the contract ends, the principal passes to the nonprofit to advance their mission. It's easy to see why the CGA is such a popular strategy. It's a win-win!

## Use Your Estate Plan to Save the World

### SHAPING YOUR LEGACY COULDN'T BE EASIER

While a good estate plan protects your family, a great estate plan helps you to shape and protect your legacy.

You can make a transformative gift through your will or trust that helps us continue our mission for generations to come. Called a planned gift, this powerful donation tool often allows our supporters to make a much larger gift than they'd ever dreamed possible. And perhaps best of all, that gift has no impact on their day-to-day cash flow. In some cases, it even pays the donor income!

Your gift can pay tribute to someone special in your life; honor a loved one, or simply reflect your values and interests. You can even make an endowed gift, which we will invest and hold permanently so that it grows. The income it generates will allow us to fund a specific need each year, forever!

### ONE POWERFUL SENTENCE

The simplest way to make a planned gift is through a bequest, a gift through your will or trust. Here is some sample wording you can use to easily make a bequest to your favorite nonprofit.

#### Residual Gift Language

A residual bequest comes to us after your estate expenses and specific bequests are paid:

I give and devise to [NONPROFIT NAME] (Tax ID #00-000000), located in [Anytown, USA], all (or state a percentage) of the rest, residue, and remainder of my estate, both real and personal, to be used for its general support (or for the support of a specific fund or program).

#### Specific Gift Language

Naming [NONPROFIT NAME] as a beneficiary of a specific amount from your estate is easy:

I give and devise to [NONPROFIT NAME] (Tax ID #00-000000), located in [Anytown, USA], the sum of \$\_\_\_\_\_ (or asset) to be used for its general support (or for the support of a specific fund or program).

#### Contingent Gift Language

[NONPROFIT NAME] or its affiliates can be named as a contingent beneficiary in your will or personal trust if one or more of your specific bequests cannot be fulfilled:

If (insert name) is not living at the time of my demise, I give and devise to [NONPROFIT NAME] (Tax ID #00-000000), located in [Anytown, USA], the sum of \$ \_\_\_\_\_ (or all or a percentage of the residue of my estate) to be used for its general support (or for the support of a specific fund or program).

#### Retirement Plan Beneficiary Language

You may name [NONPROFIT NAME] (Tax ID #00-000000) as a beneficiary of your IRA or other qualified retirement benefits. Donors should consult with their tax advisor regarding the tax benefits of such gifts.

Naming [NONPROFIT NAME] as the beneficiary of a qualified retirement plan asset such as a 401(k), 403(b), IRA, Keogh or profit-sharing pension plan will accomplish a charitable goal while realizing significant tax savings. It can be costly to pass such assets on to heirs because of heavy tax consequences. By naming [NONPROFIT NAME] as a beneficiary of a retirement plan, the donor maintains complete control over the asset while living, but at the donor's death the plan passes to support [NONPROFIT NAME] free of both estate and income taxes.

Making a charitable gift from your retirement plan is easy and should not cost you any attorney fees. Simply request a change-of-beneficiary form from your plan administrator. When you have finished, please return the form to your plan administrator, and notify [NONPROFIT NAME]. We can also assist you with the proper language for your beneficiary designation.

#### Customized Language

If you or your attorney would like [NONPROFIT NAME] to provide you with customized beneficiary language that is specific to your goal and interest, please contact us [CONTACT INFO].



SOCIETY GROWS GREAT  
WHEN WE PLANT TREES  
IN WHOSE SHADE WE  
SHALL NEVER SIT



## *A Few Words on* TRUSTS

Depending on your needs, you may wish to establish a trust (or more than one). A trust is a personal financial plan through which you transfer your assets or property to a new legal entity so they can be managed for your benefit or the benefit of your loved ones.

There are three parties in this plan: you are the settlor/grantor, the trustee is the manager and the beneficiary (or group of beneficiaries) receives the benefits. By law, the trustee has a legal duty or fiduciary duty to follow the terms of the trust and to do what is best for the beneficiaries.

Here are the most common types of trusts. If you think a trust is right for your situation, contact a qualified estate attorney today.

### Introduction to Trusts

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**Trusts are legal documents subject to state laws. All types of trusts assure that your financial, familial and estate matters remain private. Trusts do not go through a probate process and are not subject to any kind of public review.**

In general, your beneficiaries are entitled to know their rights under the trust, but they don't have to know how other beneficiaries are treated. The most important decision about setting up a trust is whether you need a revocable or irrevocable trust. You receive the most tax benefits from irrevocable trusts, but you have to be sure that giving up complete control over the asset is the best strategy. If you want flexibility, you should set up a revocable living trust or testamentary trust because you can always change the terms. You should consult an attorney or financial professional to discuss the various types of trusts and what is best for you. Read the definitions for an overview of the primary benefit of each type of trust.

## Charitable Remainder Trust

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The charitable remainder trust (CRT) pays its beneficiaries a percentage of the value of the principal. Payments can be made for the beneficiaries' lifetimes, for a term of up to 20 years, or for a combination of both. Either you and/or your beneficiaries can receive fixed or variable income from the CRT. There are several types of CRTs that are customized based on your financial goals and challenges.

## Asset Protection Trust

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An asset protection trust (APT) is an irrevocable **trust** vehicle that holds an individual's assets with the purpose of shielding them from **creditors**. Asset protection trusts offer the strongest protection you can find from creditors, lawsuits, or any judgments against your estate. An APT can even help deter costly litigation before it begins, or it can favorably influence outcomes of settlement negotiations. It must be set up before there are legal disputes. For people who could face litigation or creditor's claims, it can be a good tool for managing risk.

## Credit Shelter Trust

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A Credit Shelter Trust is designed to allow affluent couples to reduce or completely avoid **estate taxes** when passing **assets** on to heirs, typically the couple's children. The assets in the trust are managed to generate income for the spouse. The surviving spouse maintains certain rights to the trust assets during the remainder of his or her lifetime, such as the need to fund certain medical or educational expenses, and the right to tap into principle if needed. At the spouse's death, the trust's assets are transferred to the remaining beneficiaries without any estate taxes levied.

## Charitable Lead Trust

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A charitable lead trust (CLT) reverses the income-payment pattern common to life-income gifts. Charity takes the "lead" because the trust makes payments to the organization first, then returns the remaining assets to the donor, the donor's family, or others the donor designates. A lead trust can run for a term of years or for the donor's lifetime. It can be created during the donor's lifetime or under the donor's will. A CLT can be a great tool for reducing taxes.

A CLT is an excellent planning option for donors when they want to provide funding to your organization now and maximize the inheritance of children or grandchildren later. When a customized CLT terminates, the heirs may receive the assets at substantially reduced gift-and estate-tax rates and can use the assets for a wide range of purposes.

Charitable Lead Annuity Trusts (CLATs) are frequently used as part of the exit strategy prior to the sale of a closely held business or for succession planning of a family business. There are several types of CLTs that can be customized to your situation, financial challenges and opportunities.

## Irrevocable Trust

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This type of trust is used when you want to reduce your taxes, protect your assets from creditors, or you want to assure that current or former spouses' and their children receive income or assets. An irrevocable trust cannot be modified, amended or terminated without the permission of the grantor's named **beneficiary** or beneficiaries and in most cases, a court order. The grantor, having effectively transferred all ownership of assets into the trust, legally removes all of their rights of ownership to the assets and all the debts or obligations associated with those assets.

## Revocable Living Trust

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A revocable living trust is a trust you create during your life, titling all or selected assets to the trust, which will be managed by a trustee. It is called “revocable” because you can terminate the trust at any time during your life. You can serve as the trustee during your life if you wish. When you pass away, the trust will distribute or continue to manage the assets in accordance with your wishes. All trust assets will be distributed or managed as you wish at your death and will not be reviewed by the Probate Court, thus it is private. In your living trust you can appoint a successor trustee to manage the trust assets in the event that you can no longer do so. That trustee can continue to manage the trust for any living beneficiaries for their lives or for a term of years.

## Special Needs Trust

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A special needs trust is a popular strategy for those who want to help an incapacitated person and protect their assets. It is an irrevocable trust that assures a physically or mentally disabled or chronically ill person receives income without reducing their eligibility for the public assistance disability benefits provided by **Social Security**, Supplemental Security Income, Medicare or Medicaid.

## Testamentary Trust

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As opposed to a living trust, which is created during someone’s life, a testamentary trust is created in a will and goes into effect only upon the death of the person who set it up. The purpose of a testamentary trust is to provide assets and income for someone after your death. The trust is also used to reduce estate tax liabilities and ensure professional management of the assets. The trustee named is responsible for managing and distributing the trustor’s assets to the beneficiaries as directed in the will. You can change the terms of this trust during your lifetime. In most cases, it becomes irrevocable at your death.



## Trust Comparison Table

		REVOCABLE	IRREVOCABLE	CHARITABLE LEAD	CHARITABLE REMAINDER	CREDIT SHELTER	SPECIAL NEEDS	ASSET PROTECTION	TESTAMENTARY
1	I want privacy.	✓	✓	✓	✓	✓	✓	✓	✓
2	I've got children.	✓	✓	✓	✓	✓			✓
3	I'm getting divorced or remarried.		✓	✓	✓	✓	✓	✓	
4	I want to support my favorite charity.	✓	✓	✓	✓				✓
5	I want to help my extended family.	✓		✓	✓				✓
6	My loved one is terrible with money.	✓	✓		✓			✓	✓
7	I worry about taxes.		✓	✓	✓	✓			
8	I've got a business that I want to pass on.	✓	✓	✓					
9	I can't keep track of my finances. I want to simplify.	✓	✓		✓				
10	My kids don't want to work in the family business.	✓	✓		✓				
11	I want to create a steady cash flow for retirement.	✓	✓		✓				
12	My loved one can't take care of themselves.	✓	✓					✓	
13	I've got unique property that I don't want to divide up among my heirs.	✓	✓					✓	
14	My loved one is incapacitated.		✓				✓	✓	
15	I want to create a legacy for future generations.		✓		✓				✓
16	I worry about getting sick.	✓	✓						
17	I want to keep my estate planning as simple as possible.	✓							✓
18	I want flexibility.	✓							✓
19	I worry about healthcare and Medicaid eligibility for my loved ones.		✓				✓		
20	I've got serious legal problems and I need to protect my assets.		✓		✓			✓	

DON'T WAIT.  
THE TIME WILL NEVER  
BE JUST RIGHT.

— NAPOLEON HILL







### Quick Tip

## *What is My Estate Worth?*

The value of your estate is different from your net worth. To determine its value, you'll need to make an inventory not just of your assets, but also your liabilities. Do you have outstanding bills, or liens against your property? How much do you owe on your mortgage, car, etc.?

Once you have a clear picture, you'll be able to determine potential estate taxes; what you can leave to your heirs; and what gifts you might leave to your favorite charities.

## Getting Started

The first step to a good estate plan is inventorying your assets and their worth. Using the included worksheets, organize and assign realistic values to your assets.

Assets include:

- Any physical property, such as real estate, land, buildings.
- Intangible property, including stocks, bonds, royalties, business interests, intellectual property, patents, and copyrights.
- Cash, including checking accounts, savings accounts, and money market accounts.
- Valuable objects including vehicles, artwork, jewelry, antiques, collectibles, heirlooms, and furniture.

If you have significant or complex assets, an estate attorney can help you to determine the most tax-efficient way to proceed. Certain financial tools, such as testamentary trusts, may be beneficial.

A trust allows you to:

- Transfer property privately and directly to your heirs, avoiding probate.
- Provide a source of income for a spouse, child, or person with special needs.
- Provide gifts for your favorite nonprofit and other favorite charities.
- Memorialize a loved one.
- Reduce estate taxes.

If your estate is less complicated, you simply need to decide how your assets will be distributed, and who will receive them.

## Next Steps

*Before deciding who gets what, determine your priorities*

An estate plan should reflect your values and faith. It's a way to plan your legacy, honor your loved ones, influence your community, and impact the causes you care about.

**Here are six questions to ask yourself:**

1. What needs will my spouse have after I'm gone?
2. Do I want my children to receive equal shares of my estate?
3. Is leaving my children and/or grandchildren a large sum of money best for them? Should I restrict or limit their inheritance until a certain age?
4. What values and accomplishments am I most proud of? How can I use my estate plan to reflect them, and pass them on to future generations?
5. What charities or causes do I want to support far into the future?
6. How best can my estate plan serve my favorite nonprofit(s)?



**Quick Tip**

### *Keep Documents Safe, Accessible*

Store all your estate-planning documents somewhere that's safe, secure, fireproof, and easily accessible. A fireproof home safe is a good option. **Don't** store them in a safe-deposit box at the bank—access may be limited after your death, causing complications and delays. **Ensure that your executor and/or lawyer have the combination or spare key.**



### *Next, identify your beneficiaries.*

It's time to make a list of the individuals and organizations that you want to provide for in your estate plan. Note any conditions that might determine the method and circumstances by which you assign them certain assets.

For example, you may want to leave your grandchildren some money, but only if they go to college and only a little at a time.

If you wish to leave a bequest to any nonprofit organization, it's important to use the full legal name, and note the address.

### *Choose an executor, and an alternate executor.*

Your executor will carry out your final wishes as stipulated by your last will and testament. They will also disburse your assets after using them to pay taxes and any outstanding debts.

Their authority becomes effective from the moment of your death, and they are subject to oversight by the probate court.

Among the other duties of an executor:

1. Obtain a death certificate.
2. File a copy of your will with the local probate court.
3. Notify creditors, banks, and government agencies of your death
4. Represent the estate in court
5. Establish an estate bank account to hold incoming funds and pay any final bills.

Choose someone you trust for this role. That could be a friend, family member, or a professional, such as a lawyer, banker, or accountant. The person should be responsible, dependable, and good with finances. It needs to be someone over 18 who is "of sound mind," and in most states, it cannot be someone convicted of a felony.

If you don't appoint an executor, the court will do it for you—and it might not be the person you intended. Be sure to also choose an alternate executor, in case your first choice is unable to serve for any reason.

Finally, be sure to have a conversation with the person you'd like to appoint, to ensure they're comfortable with your decision and willing to serve. And ensure they know the location of and have access to your will and any other important estate documents.

### *Choose guardians for your minor children or disabled adult.*

If you have minor children or are responsible for a disabled adult, you should choose someone to be their legal guardian, along with an alternate guardian, in case they cannot serve. Discuss with them your values, your plans for your child's education, and the importance of making sure your children are raised with the ideals that are important to you.

### *Call a family meeting.*

At the very minimum, keep your spouse in the loop from the get-go. It's not only a matter of respect, but coordinating plans between spouses often leads to additional savings for your estate. You may want to have a family meeting to discuss your plans with as many family members as possible.

If you are considering a gift through your estate to a charitable organization, schedule a meeting or phone call with the organization's planned giving department to discuss your goals and intentions. The organization can collaborate with your attorney and financial planner to make sure your philanthropy is as strategic and effective as possible.

### *Write your will.*

Over 68% of Americans pass away without a valid will in place. Don't let that happen to you. If you already have a will, congratulations! You're ahead of the curve.

## Does Your Existing Estate Plan Need an Update?

*Leave a legacy, not a mess.*

Any estate plan, regardless of size or complexity, should be reviewed regularly. There are a number of life events that can require changes to your important documents and beneficiary designations. And while most of us are content to procrastinate, the results of inaction could be devastating for your loved ones. While life changes do not always require an amendment to your plan, it's a good idea to have a quick conversation with your estate attorney to determine whether any updates are appropriate.

**Here's a list of life events that should, at the very least, trigger an estate plan review:**

- Marriage, remarriage, or divorce.
- Entering or dissolving a civil union or domestic partnership, or undergoing some other significant relationship change.
- Birth of children or grandchildren.
- Adoption of children, or addition of stepchildren.
- Changes in your or your spouse/partner's health.
- Retirement.
- Moving to a different state, country, or change of principal residence.
- Purchase or sale of real estate in or outside of the state/country where you reside.
- An inheritance from a will or trust.
- Significant change to income, assets, or financial condition. That could include a career change or job loss.

*Other reasons to review your existing estate plan:*

- Have there been changes to federal or state estate tax laws, or to other laws that affect your property, personal situation, or legal documents since the plan was completed? (consult with a financial planner and/or estate attorney, and see "Key Dates That May Necessitate Estate Plan Updates" on Page 21).
- Was your plan completed before you had children, or when your children were younger?
- Has your family or personal situation changed since it was completed?
- Have your children or grandchildren married, divorced, or had their own children?
- Do any beneficiaries have special needs? Are there ways to help them obtain or preserve government benefits? If they have a trust, have there been any changes around federal or state disability laws that should trigger a review of the trust?
- Do you still feel the same way about how much each beneficiary should—or should not—receive?
- Are there any charitable beneficiaries that you would like to add or remove? Would you like to modify the amounts any of those beneficiaries will receive?
- Do you need to make changes to your executor, trustees, guardians for minor children/ individuals with special needs? Any changes to your medical or durable power of attorney? Any need to change your Living Will?
- If you own a business, have you added co-owners, sold the business, modified legal agreements, or made other substantial changes?

*Regularly review beneficiary designations*

Do you need to make changes to any beneficiaries of the following?

- Life insurance
- Retirement plans (401(k), profit sharing, pension, IRA)
- Annuities
- Transfer on death (TOD) or pay on death (POD) accounts for checking, savings, investment accounts
- Executive benefits (deferred compensation plans, restricted stock, or stock options)

### *Key Dates That May Necessitate Estate-Plan Updates*

If your estate plan documents were completed before these key dates, you should review them with your attorney to determine if they need to be updated.

#### **December 20, 2019 — SECURE Act (Setting Every Community Up for Retirement Enhancement)**

Among the changes facilitated by the SECURE Act was the repeal of the Stretch IRA, which allowed non-spouse beneficiaries to “stretch” distributions from IRAs and defined contribution plans. It was replaced by a 10-year payout rule.

This means the terms of any trusts utilizing those assets will likely change: The assets will be distributed to the beneficiary at an accelerated pace, triggering substantial income tax consequences.

#### **December 22, 2017 — The Tax Cuts and Jobs Act of 2017**

The basic exclusion essentially doubled to \$12,060,000 (as of 2022) per person, inflation adjusted, through 2025.

Because many existing estate plans for married couples were designed when the exclusion was much smaller, and the plans frequently involve automatic, maximum funding of a credit shelter trust at the first spouse’s death, the trust will likely over-fund a credit shelter trust at the first spouse’s death. That could leave limited assets for your surviving spouse, incur tax consequences, and sacrifice the chance for a “step-up” in cost basis at the surviving spouse’s death.

#### **January 2, 2013 — American Taxpayer Relief Act of 2012**

The American Taxpayer Relief Act made the “portability election”—which allows an executor to transfer a deceased spouse’s unused federal estate tax exclusion to a surviving spouse—a permanent feature of federal estate tax planning. If your estate plan was completed before this date, you’ll want to revisit it and consider this potentially valuable election.

#### **December 17, 2010—The Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010**

The federal estate tax applicable exclusion threshold was much lower before this act increased it to \$5 million. Provisions were also made to index it for inflation in future years.

#### **January 1, 2005 — Economic Growth and Tax Relief Act of 2001**

Before 2001, the tax Code had granted a 100% federal estate tax credit for state death taxes paid. This credit was phased out from 2002 through 2004 and replaced in 2005 with a deduction. A number of states that had enacted “sponge” estate taxes in the amount of the former credit took no action to respond to this change, with the result that there is no longer an estate or inheritance tax in those states. Estate plans created before 2001 likely do not take these changes into account.

#### **April 14, 2003 — Health Insurance Portability and Accountability Act (HIPAA) privacy compliance date**

Any agents appointed by powers of attorney, health care directives, or revocable trusts created before this date will likely have trouble dealing with doctors, hospitals, or insurance companies, because the documents won’t include the very specific authorization language required by HIPAA.



### *An important note*

This is not your final will, but it's a great place to start collecting information before visiting with your attorney. Be as accurate as possible, and make sure to revisit your will when major changes occur in your life. Your estate plan is not a one-and-it's-done job. It should be regularly reviewed, because the variables it's based on are constantly evolving. Your assets, your career and your transition into retirement, the needs of those closest to you and your philanthropic priorities, the cost of transferring your property to others—they are all likely to be different today than when you last signed your estate documents.

# Will Starter Kit

## A LITTLE PLANNING GOES A LONG WAY. WE CAN HELP.

No matter what your situation, your first step toward getting your estate plan started is to take inventory of your estate and get everything organized. This worksheet will help you create a comprehensive record of key pieces of information about your personal circumstances, assets, and debts.

### **THIS WORKSHEET WILL HELP YOU:**

- Create a consolidated view of all the important details about your estate.
- Simplify things for those who will be tasked with handling your affairs someday.
- Clarify your thinking about how you want things handled after you're gone.
- Give your estate planning attorney a head start on assessing your situation and preparing your plan.

### **IMPORTANT THINGS TO KEEP IN MIND:**

- Try to complete as much of the form as possible. You can always complete any missing information later.
- If you're completing this inventory as a couple, and you both have significant separate property, you may want to make a photocopy of this worksheet and prepare two inventories, rather than trying to fit everything onto one.
- You may attach additional sheets as necessary if you run out of space while listing all your assets.
- Keep a copy of this form in a safe place and let someone you trust know where to find it.

### **IMPORTANT DISCLAIMER:**

This is not a will, nor is it a legal document.

It is designed to help your attorney help you in preparation of your will.

## I: PERSONAL

---

Name

---

Your Date of Birth

---

Your Social Security Number

---

Home Telephone

---

Work Telephone

---

Home Address

---

Mailing Address (if different)

---

Citizenship

---

Spouse's Name

---

Spouse's Date of Birth

---

Spouse's Social Security Number

---

Marriage Place and Date

---



## II: PRIOR MARRIAGES

---

Name of Former Spouse

---

Date of Marriage

---

Home Address

---

Specify if the marriage terminated by death or divorce.  
If terminated by divorce, please attach dissolution decree.

---

---

---

Date of Termination of Marriage

---

List any relevant information regarding any obligations, child support or maintenance that is not contained in any dissolution decrees you have attached to this form.

---

---

---

---

Your Date of Birth

---

Spouse's Date of Birth

---

Your Social Security Number

---

Spouse's Social Security Number

---

Marriage Place and Date

---

Citizenship

---

Please note: If you have been previously married more than once, please provide all requested information for any additional spouses on a separate sheet.

### III: CHILDREN

List all children from your current marriage, providing their names, dates of birth and addresses if different from your own:

1.

2.

3.

4.

5.

List all children from any previous marriage or relationship, providing their names, name of the other parent, dates of birth, and addresses if different from your own:

1.

2.

3.

4.

5.

List all children of your spouse from any previous marriage or relationship, providing their names, names of the other parent, dates of birth and addresses if different from your own:

1.

2.

3.

4.

5.

### IV: DEPENDENTS

Are there any persons, other than minor children, who are partially or wholly dependent upon either you or your spouse for support now or possibly in the future? If so, please list their name and address and describe the nature of the relationship:

---

---

---

### V: OTHER FAMILY MEMBERS

List the names, dates of birth, parentage and current addresses of any grandchildren of you or your spouse:

1. 

---

---
2. 

---

---
3. 

---

---
4. 

---

---
5. 

---

---

List the names, addresses and birth dates of your parents, if still living:

Mother 

---

Father 

---

List of the names, addresses and birth dates of any living siblings:

1. 

---

---
2. 

---

---
3. 

---

---
4. 

---

---
5. 

---

---

## VI: TRUSTS

Do you currently receive income from a trust? If so, please attach a copy of the trust document.  Yes  No

## VII: INSURANCE

Are there any life insurance policies in existence for either spouse?  Yes  No

If so, please indicate the name of the policy holder and provide information regarding:

1. Name of Company(ies)

2. Type of Insurance

3. Amount and Cash Surrender Value

4. Designated Beneficiary(ies)

5. Policy number(s)

## VIII: ASSETS IN JOINT TENANCY

Do you own any real or personal property as joint tenants with your spouse or third parties? If so, please explain:

## IX: RETIREMENT BENEFITS

Are you enrolled in a retirement plan?  Yes  No

If so, please provide information regarding the type of plan, current value and beneficiary designation:

## X: GIFTS OR INHERITANCES

Are either you or your spouse likely to receive any gifts or inheritances? If so, please describe:

Do either you or your spouse make, or intend to make, regular gifts to any person? If so, please describe:

## XI: ASSETS AND LIABILITY SCHEDULE

Please estimate your assets and liabilities:

### ASSETS

### Approximate Value

1. Real Property

2. Stocks and Bonds

3. Checking/Savings/Other Monetary Accounts

4. Cash Value of Life Insurance Policy

5. Retirement Benefits

6. Miscellaneous Property (including furniture, autos, boats, collections, etc.)

**Total Assets:**

### LIABILITIES

### Approximate Value

1. Mortgage or Deed of Trust or other amounts owed on real property

2. Other loans from financial institutions (consolidated loan, etc.)

3. Student loan(s)

4. Amounts owed on credit cards

**Total Liabilities:**

**NET WORTH (ASSETS - LIABILITIES)**

## XII: REAL PROPERTY

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Please attach a copy of the deed for each parcel of real property that you own.

---

## XIII: WILL PROVISIONS

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### PERSONAL REPRESENTATIVE (EXECUTOR)

A Personal Representative administers your estate in accordance with the instructions contained in your will. Please list a first choice and an alternate, in case the person who is your first choice predeceases you or is unable to serve:

---

#### First Choice

---

Name

---

Address

---

Relationship

---

#### Alternate

---

Name

---

Address

---

Relationship

---

### DISTRIBUTION

Please list the individuals to whom you wish to leave your estate, providing instruction as to what percentage shall be received by each beneficiary:<sup>1</sup>

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If any of your designated beneficiaries should predecease you, do you want to distribute the gift among surviving beneficiaries? Or pass the gift to the children of deceased beneficiary?

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<sup>1</sup> Please do not list specific items of personal property, such as a lamp, car, etc. The distribution of these type of items can be better discussed during your initial meeting.

**GUARDIANSHIP**

If you die before your children reach the age of eighteen, whom do you wish to serve as their guardian?

---

**First Choice**

---

Name

---

Address

---

Relationship

---

**Alternate**

---

Name

---

Address

---

Relationship

---

**CHARITABLE INTERESTS**

Please list those charitable organizations, including your church and/or synagogue, that you would like to bequeath an interest from your estate, and the approximate amount(s) or percentage(s) you would like to leave to each:

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**TESTAMENTARY TRUST**

A testamentary trust is a type of trust that does not go into effect until the person who made the trust passes away. If you wish, you can create a testamentary trust in your Will to become effective upon your death. The classic reason to establish such a trust is to ensure the well-being of your minor children, finance their education, etc. However, a testamentary trust can be created to accomplish a wide variety of goals. If you are interested in creating a testamentary trust, or have questions, please indicate your wishes and questions below.

---

---

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## XIV: DURABLE POWER OF ATTORNEY

---

The Durable Power of Attorney becomes effective upon the proven incompetency of an individual to handle his or her own affairs. In this document, you would name a person who would take charge of your affairs (known as your "attorney-in-fact"). The value of this document is that it eliminates the need to establish a guardianship in the event of incompetency. An attorney-in-fact has the power to take any legal action that you would otherwise undertake yourself, including the transfer of funds or purchase or sale of real property, on your behalf.

---

Do you need this document prepared?     Yes    No    Not sure. I need more info.

---

Who do you wish to nominate as your attorney-in-fact?

---

### First Choice

---

Name

---

Address

---

Relationship

---

### Alternate

---

Name

---

Address

---

Relationship

---

Do you have questions? If so, please list:

---

---

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### XVI: DIRECTIVE TO PHYSICIANS (LIVING WILL)

The Directive to Physicians clarifies a person’s wish not to have his or her life “artificially prolonged” in the case of any injury, disease or terminal condition rendering such person unable to communicate.

Please indicate whether you need this document prepared.  Yes  No  Not sure. I need more info.

Do you have questions? If so, please list:

---

---

---

---

---

---

### XVII: PETS

Please indicate whether you are interested in having a trust to make sure that your pet is taken care of in the event of your death.  Yes  No  Not sure. I need more info.

### XVIII: OTHER

Is there any other information that you think may be important in planning your estate that I have not addressed? Please specify:

---

---

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---

---

### XIX: VETERAN’S INFORMATION

Branch of Service

---

Rank

---

Dates Served

---

Medals, awards, commendations

---

VA Claim Number

---

Please list your current professional legal and financial advisors here:

<b>Attorney</b>	<b>Attorney</b>
Name	Name
Address	Address
Phone	Phone

<b>Stock Broker</b>	<b>Insurance Agent</b>
Name	Name
Address	Address
Phone	Phone

### NEXT STEPS

Bring this completed form to your attorney to begin the process of drafting the estate documents you will need.



# 27 Estate Documents You Need to Put in One Place

---

## THE ESSENTIALS

- ✓ Will
- ✓ Letter of Instruction
- ✓ Trust Documents
- ✓ Financial Power of Attorney (POA)

## MARRIAGE AND DIVORCE

- ✓ Marriage License
- ✓ Divorce Papers
- ✓ Military Documents (DD214)

## HEALTH-CARE CONFIDENTIAL

- ✓ Personals and Family Medical History
- ✓ Durable Health Care Power of Attorney
- ✓ Authorization to Release Health Care Information
- ✓ Living Will
- ✓ Do-Not-Resuscitate Order

## BANK ACCOUNTS/SOCIAL MEDIA

- ✓ List of Bank Accounts
- ✓ List of all Usernames and Passwords
- ✓ List of Safe-Deposit Boxes

## PROOF OF OWNERSHIP

- ✓ Housing, Land and Cemetery Deeds
- ✓ Escrow Mortgage Accounts
- ✓ Proof of Loans Made and Debts Owed
- ✓ Vehicle Titles
- ✓ Stock Certificates, Savings Bonds and Brokerage Accounts
- ✓ Partnership and Corporate Operating Agreements
- ✓ Tax Returns

## LIFE INSURANCE AND RETIREMENT

- ✓ Life Insurance Policies
- ✓ Individual Retirement Accounts
- ✓ 401(k) Accounts
- ✓ Pension Documents
- ✓ Annuity Contracts

# What's Next?

Even if you only need a simple will, it is advisable to seek the help of a qualified attorney. Writing a will is one of the least expensive legal tasks that you can request and it is well worth the investment to have it done by an expert.

It is also advisable to consult with a tax advisor or other financial professional(s) who can help develop a plan that meets your specific estate planning goals.

Lastly, should your plan have charitable intentions, work with a representative from the charity to ensure that your generosity will be used as intended. Clarifying your intentions will allow for the greatest impact.



# Glossary

## **YOUR EVERYDAY, PLAIN LANGUAGE GUIDE TO ESTATE PLANNING TERMINOLOGY**

Here are a few terms you should be familiar with so you can have an intelligent conversation with your attorney. You don't have to remember them forever, and there will not be a test. You can even take this cheat sheet with you when you meet with your financial advisor or attorney.

### **ANNUITY**

An agreement that pays a fixed amount of benefits every year for the life of the person who is entitled to those benefits.

### **APPRECIATED PROPERTY**

Securities, real estate, or any other property that has risen in value since the benefactor acquired it. Generally, appreciated property held by the donor for more than a year may be donated at full fair market value with no capital gains cost.

### **BENEFICIARY**

The recipient of a bequest from a will or a distribution from a trust, retirement plan, or life insurance policy.

### **BEQUEST**

A transfer of property or cash to an individual or organization under a will.

### **CODICIL**

A document that amends, rather than replaces, a will. Amendments made by a codicil may add or revoke a few small provisions or may completely change the majority or all of the gifts under the will. Each codicil must conform to the same legal requirements as the original will.

### **DURABLE POWER OF ATTORNEY**

A power of attorney that remains in effect if the person who made the document becomes incapacitated. Otherwise, if not specifically made durable, the power of attorney automatically expires if the person who made the document becomes incapacitated.

### **EXECUTOR**

The personal representative you appoint to carry out the legal and financial wishes stated in your will.

### **GRANTOR**

The individual transferring property into a trust.

### **GUARDIAN**

The person appointed to care for minor children, or a disabled adult, if the parent passes away.

### **HEALTH CARE POWER OF ATTORNEY**

A power of attorney that allows the person you designate to make health care decisions on your behalf should you be incapacitated.

### **HEIR**

Someone who receives something through a will or trust.

### **LIVING WILL**

Also called an advanced health care directive, this is a legal document that states a person's wishes about end-of-life medical care in the event that person is unable to speak for him or herself.

### **PLANNED GIFT**

A major gift that uses current tax laws to maximize the gift's impact on the organization and return financial benefits to the donor.

### **POWER OF ATTORNEY**

A legal document that grants one person, called the agent or attorney-in-fact, the power to act for another. The power of attorney grants limited or broad legal authority to an appointed agent to make legally binding decisions about property, finances or (in the case of an advanced directive) medical care. A power of attorney is used if someone is unable, through illness or disability, to make those decisions for himself or herself, or cannot be present to sign legal documents.

### **PROBATE**

The review or testing of a will before a court to ensure that the will is authentic and the estate is distributed properly. A good estate plan minimizes the cost and time needed for probate.

### **REVOCABLE LIVING TRUST**

A trust you create during your life, titling all or selected assets to the trust, which will be managed by a trustee. It is called "revocable" because you can terminate the trust at any time during your life. You can serve as the trustee during your life if you wish. When you pass away, the trust will distribute or continue to manage the assets in accordance with your wishes.

### **TESTAMENTARY TRUST**

A trust created by a will that takes effect upon the death of the person who made the will.

### **TRUST**

A legal entity created by a written agreement by a grantor to hold and invest property for the benefit of the grantor and/or other beneficiaries.

### **TRUSTEE**

An individual or organization carrying out the wishes of the person who established the trust (the grantor), paying income to the beneficiaries, and preserving the principal for ultimate distribution.

### **MORE TERMS ARE DEFINED AT**

**[PLANNEDGIVING.COM/RESOURCES-GLOSSARY](https://www.plannedgiving.com/resources-glossary)**

WE MAKE A LIVING  
*BY WHAT WE GET,*  
BUT WE MAKE A LIFE  
*BY WHAT WE GIVE.*

— WINSTON CHURCHILL



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