



A Guide to Wills & Trusts

 **DALLAS**
JEWISH COMMUNITY
FOUNDATION

PLANNING FOR THE FUTURE

A Guide to Planning Your Will and Trust

A person may work forty years to accumulate assets and spend ten to twenty years conserving that accumulation, but often takes two hours or less to plan for distribution of the assets. Through good planning, a wonderful chapter in the book of your life can be completed. However, too many times there has been little planning or sometimes no planning and the last chapter is burdensome for family members.

This guide is designed to help you move forward with a plan that writes a very good chapter in the book of your life. Through proper planning, the legacy of love and care that you leave for your family and friends can be encouraging and even inspiring. We will show you in this document how to update your estate plan with a will and also make plans for your potential medical decisions.

A Guide to Planning Your Will and Trust is designed to encourage you to think about how you want your assets to be distributed at death and to assist you in gathering the information your attorney will need. With this guide, the process will be much easier, less expensive and fulfill your desires for friends and family.

Three Steps to a “Sleep Well” Plan

1. **Complete the Wills and Trusts Guide.** Plan to spend two or three sessions completing this guide. It may take you two or three hours.
2. **Transfer the guide to an attorney.** He or she will review your plan, prepare your will and any other needed documents. (We will help you find a qualified attorney if you so desire.)
3. **Sign your will and other documents.** After reviewing the documents prepared by your attorney, sign them and rest well knowing that you have provided for those you love.

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Introduction

Welcome to [A Guide to Wills and Trusts](#). We are very pleased that you are taking steps to protect those you love through an updated estate plan. A plan is important, but an estimated 70% of Americans don't even have a will. This guide will help you by making the process easy and understandable.

What are the benefits of an estate plan?

Peace – An estate plan is designed to help you provide for those you love and protect both you and your family.

Provision – You have spent most of your lifetime gathering assets and making plans. But many people spend more time planning their vacation than planning their estate. With a good estate plan you can give loved ones the property you have acquired in the right way, at the right time and at minimum cost.

Protection – In addition, a good plan will provide for you in your senior years. It may be important to designate a specific person to manage your property, help doctors and other medical staff with important decisions and make certain that you are receiving the best possible care. An estate plan can increase your lifetime security and also achieve your goals for family and charity.

How do I get started?

We have designed this *Guide to Wills and Trusts* for your benefit. It is usually best to move fairly quickly through the different sections. You may need to come back later and fill in some of the information. Most of this information you will know or have readily available.

And if I have questions about some of the information?

When it comes time to decide on the distribution of your property, you may have some questions. There are two different resources that will help you. In addition to the explanations within this guide, we have a wealth of online estate planning information on our website. Just log on to www.DJCF.org and learn about wills. Most of the terms and information in this guide are covered in the estate planning presentation and other information. In addition, we are always available to help. Just call us at 214-615-5268 or e-mail us at info@djcf.org.

What good things happen with an updated will?

With an updated will, you can transfer specific property or assets. In addition, you will be able to direct the residue of your estate. For those with larger estates, there could be substantial estate tax savings. In addition, you know that the executor or personal representative that you select (not the one a probate judge chooses) will be managing your property. A good will can carry out your plan and save thousands of dollars while transferring property quickly and inexpensively to your loved ones.

What is accidental disinheritance?

Too many times, the “wrong” persons end up receiving property. An “accidental disinheritance” occurs if you either have no will or the will doesn’t function properly. Sometimes a will is unclear and the estate goes to distant relatives or is simply paid to CPAs and attorneys who are representing family members fighting over the estate. You can avoid an “accidental disinheritance” by creating a good plan to protect your loved ones.

Can I use my estate plan to create a legacy?

Everyone wants to have a life with meaning. Part of that meaningful life is to live on in the memory of family and friends. A good estate plan can indeed create a legacy for family and charity that gives added meaning to your life.

Estate Planning Documents

There are three basic steps in the estate planning process.

1. Write Down What You Own

It is important to understand what property you own and what property will be transferred through your estate.

2. Know How Property is Transferred

Some property is transferred by will and some is transferred by a beneficiary designation or other form. You need to know how your property will be transferred in order to avoid an accidental disinheritance. With a good plan, your property may be transferred as you desire.

3. Sign Your Will and Medical Directives

Finally, it is important to sign the documents that express correctly your will and desires both for your property and for your potential future personal care.

Basic Planning Documents

Let's start by reviewing the three basic estate planning documents — a will, a durable power of attorney for finances and a durable power of attorney for healthcare.

A. Current Will

Your will is a written document, signed by you and by two or more witnesses. In some states, your signature may be witnessed by a notary public. If the will is believed to be authentic by the probate court, it is used to determine the distribution of your property. If the will is not valid or you do not have a will, the court will follow state law for those without a will. Many of the court decisions might be completely contrary to your desires.

For example, without a valid will a judge might choose guardians for your minor children, select trustees to manage your property and even award property to your distant relatives. The actions of this judge may be completely contrary to your desires.

With a valid will, you are able to choose who will inherit your property and who will administer your estate as executor or personal representative. If you have minor children, you can choose a person to raise your children. With a trust, you are permitted to decide who will manage the trust for family members.

A valid will is an essential part of transferring your property at the right time to the right people at the lowest cost. Without a valid will, costs, delays and the probability of expensive conflict increases. You can provide a wonderful legacy for family with an updated will and a sound estate plan.

B. Durable Power of Attorney for Finances

You probably are a very good financial manager. As long as you are able to manage your affairs, things will be fine. However, there may come a time when you are in poor health or perhaps in the hospital. While lying on your hospital bed, you do not want to worry about your property being neglected.

A durable power of attorney for finances is the solution that protects your property and yourself. If you are no longer able to manage your property, the person that you select in this durable power has the right to act as your agent. Even if you are disabled or incapacitated, this person will have the legal right to manage your property. If you do not have a durable power of attorney for finances, it will be necessary for the court to appoint a conservator.

The court may select any person as conservator and there often will be expensive reports, audits and costs in the management of your property. If you sign a durable power of attorney for finances, the person that you select may manage your property without all the expense of a court-appointed conservator.

C. Healthcare Directives

There are two general types of healthcare directives — a durable power of attorney for healthcare and a living will. In some states, they are combined into one document called an advanced directive.

The durable power of attorney for healthcare allows you to select a person who can assist your doctors in making healthcare decisions while you may be incapacitated. You may have a serious medical condition and the doctor will need the advice of another person regarding the best possible care for you. Your designated holder of the durable power of attorney for healthcare can help the doctors ensure that you have that high quality care.

The living will is a second document (in most states) and covers the time before your probable death. In the last days and weeks of life, there are a number of decisions regarding care, nutrition, hydration and resuscitation that need to be made. The living will gives you the opportunity to offer recommendations to medical staff about the types of care to be provided to you at that time.

Your Benefits with Other Planning Options

D. Living Trusts

If you have a moderate or large estate, you may find it desirable to create a living trust. The living trust is completely within your control during your lifetime. You can add property to the trust or remove property from the trust at any time. During your lifetime, the trust income is taxable to you.

There are at least three major benefits of the living trust. If you are sick or in the hospital, your designated successor trustee can take over and manage your property for your benefit. Second, if you pass away, the property in the living trust will avoid probate and potentially save thousands of dollars in costs. Third, the living trust typically is a private document and not made public during the probate process.

E. Custom Estate Plan for Business, Investments or Special Needs Child

If you own a family business, substantial real estate holdings or a large estate, then a custom plan that considers your special property goals and requirements should be created. Another custom plan option is important if you have a child with special needs. A child with special needs may be provided for through a special needs trust. A special needs trust will facilitate care of the child by providing resources and directions. In some cases, a child may qualify to receive federal or state benefits if that is helpful in providing care for the “special needs” child.

F. IRA, 401(k) or Other Retirement Plan

Your IRA, 401k or other retirement plan is transferred by a beneficiary designation. Normally, the beneficiaries should be named on the IRA, and it should be given directly to family or charity, and not to your estate. The IRA or 401k custodian should provide a form for you to select a primary and contingent beneficiary. Because your retirement plan may represent a major portion of your property (30% to 70%), your beneficiary designation should be reviewed every two to four years.

G. Life Insurance

Life insurance is usually permanent (whole life or universal life) or term. The insurance policy is a contract, and there is a beneficiary designation form. You will select the primary and contingent beneficiary to receive the death benefit if you pass away with a valid insurance policy.

H. Charitable Remainder Trusts

A charitable remainder trust is an excellent way to benefit yourself, your spouse, or other family members. It combines substantial tax savings with the ability to produce a very good income for you or your family members. Charitable remainder trusts are especially helpful for individuals who retire and would like to sell land or stock tax-free and receive a generous income.

I. Charitable Gift Annuity

Many of our friends, especially those age 70 and above, are very interested in fixed payments from a charitable gift annuity. If you fund a gift annuity, you receive a substantial income tax charitable deduction and fixed payments for life. A gift annuity may pay for one life or for two lives. For a husband and wife, the payments will last until both have passed away.

J. Donor Advised Funds

Many families find that a Donor Advised Fund is a simple and efficient way to help charities that they love. By establishing such a fund, you can time the gifts you make (for investment or tax reasons) and you can select charities you wish to benefit from your gifts. You receive the income or estate tax deduction, and the opportunity is there to make distribution decisions later. Many families may use a Donor Advised Fund as an estate beneficiary so that they can allow their children or friends to continue supervising the gifts from their fund for years to come. Parents appreciate the way that their DAF encourages children to be involved in philanthropy.

K. Charitable Endowments

Another option that you may prefer is to leave property or money in an endowment form so that the charity does not spend the principal. Instead, the charity pays the endowment income (as often the donors have done all of their lives). Endowments may be left to community or religious foundations, or often directly to the charity with instructions as to their use. It is often helpful to suggest a general purpose for the endowment fund because it will last perpetually, and the original purpose for the gift may one day not exist. If you are interested in an endowment approach to your charitable gifts, please contact us.

YOU AND YOUR FAMILY

Please tell about you and your family. Print names in ink, not pencil. Spell names exactly as you want them to appear in your estate documents. USE full legal names, not nicknames.

Your Personal Information

Date _____

Your Full Legal Name _____

Date of Birth _____ Gender: Male Female

Present marital status:

Married Single Divorced Legally Separated Widowed

If you are widowed, what date did this occur? _____

Home Address _____

City _____ State _____ Zip _____

Home Phone () _____ E-mail: _____

Employer _____

Job Title _____ Work Phone () _____

Are you a U.S. Citizen? No Born in the U.S. Naturalized

Check which documents you presently have:

- Will Living Trust
- Living Will Durable Power of Attorney/Health Care
- Durable Power of Attorney/Finances



Your Spouse

Spouse Full Legal Name _____

Date of Birth _____ Gender: Male Female

Have you been previously married? Yes No

If you are widowed, what date did this occur? _____

Spouse Employer _____

Employer _____

Job Title _____ Work Phone () _____

Is your spouse a U.S. Citizen? No Born in the U.S. Naturalized

Check which documents **Your Spouse** presently has:

- Will Living Trust
- Living Will Durable Power of Attorney/Health Care
- Durable Power of Attorney/Finances

Do you and your spouse have a Pre-Nuptial Agreement that identifies and disposes of separate spousal property? (If yes, attach a copy.) Yes No

Religious Affiliation

Religious Organization: _____

City and State: _____

Children

Please list all children, whether minors or adults, including deceased children and children of a prior marriage. If you need more space, attach additional pages. If you wish to exclude a child as a beneficiary of your estate, check the "Exclude" box. If you have no children write "NONE."

1. Legal Name _____ Date of Birth _____

Natural Legally Adopted Foster Social Security # _____

Marital Status: Married Divorced Needs Special Care Dependent Exclude

Current Address _____

City _____ State _____ Zip _____

Origin: Child of present marriage Child by prior marriage of spouse Deceased

2. Legal Name _____ Date of Birth _____

Natural Legally Adopted Foster Social Security # _____

Marital Status: Married Divorced Needs Special Care Dependent Exclude

Current Address _____

City _____ State _____ Zip _____

Origin: Child of present marriage Child by prior marriage of spouse Deceased

3. Legal Name _____ Date of Birth _____

Natural Legally Adopted Foster Social Security # _____

Marital Status: Married Divorced Needs Special Care Dependent Exclude

Current Address _____

City _____ State _____ Zip _____

Origin: Child of present marriage Child by prior marriage of spouse Deceased

4. Legal Name _____ Date of Birth _____

Natural Legally Adopted Foster Social Security # _____

Marital Status: Married Divorced Needs Special Care Dependent Exclude

Current Address _____

City _____ State _____ Zip _____

Origin: Child of present marriage Child by prior marriage of spouse Deceased

5. Legal Name _____ **Date of Birth** _____
 Natural Legally Adopted Foster **Social Security #** _____
Marital Status: Married Divorced Needs Special Care Dependent Exclude
Current Address _____
City _____ **State** _____ **Zip** _____
Origin: Child of present marriage Child by prior marriage of spouse Deceased

6. Legal Name _____ **Date of Birth** _____
 Natural Legally Adopted Foster **Social Security #** _____
Marital Status: Married Divorced Needs Special Care Dependent Exclude
Current Address _____
City _____ **State** _____ **Zip** _____
Origin: Child of present marriage Child by prior marriage of spouse Deceased

7. Legal Name _____ **Date of Birth** _____
 Natural Legally Adopted Foster **Social Security #** _____
Marital Status: Married Divorced Needs Special Care Dependent Exclude
Current Address _____
City _____ **State** _____ **Zip** _____
Origin: Child of present marriage Child by prior marriage of spouse Deceased

8. Legal Name _____ **Date of Birth** _____
 Natural Legally Adopted Foster **Social Security #** _____
Marital Status: Married Divorced Needs Special Care Dependent Exclude
Current Address _____
City _____ **State** _____ **Zip** _____
Origin: Child of present marriage Child by prior marriage of spouse Deceased

Your Estate Planning Goals

You will have a number of goals that can be carried out through your estate plan. Listed below are several types of goals. Please indicate how important these goals are by circling a number from one to five by each goal. One is low and five is high.

Goal	Ranking (1-5 with 5 being the most important)				
Reduce estate taxes	1	2	3	4	5
Increase current income	1	2	3	4	5
Provide for guardianship of minors	1	2	3	4	5
Provide for healthcare if disabled	1	2	3	4	5
Protect against liability	1	2	3	4	5
Create a charitable legacy	1	2	3	4	5
Sell appreciated assets tax-free	1	2	3	4	5
Plan for business	1	2	3	4	5
Other goals listed below	1	2	3	4	5

Comments

Estate Planning Family Background

1. Have you or your spouse made gifts greater than the annual exclusion (\$13,000 in 2009, with indexed increases in later years) in any one year to any individual?

If yes, please describe:

2. Are you or your spouse presently serving as the trustee of any trust, guardian of any minors (other than your children), or executor of any estate?

If yes, please describe:

3. Have you or your spouse created any trusts or made gifts to any trusts?

If yes, please describe:

4. Do you or your spouse expect an inheritance within the next year? If so, from whom and how much?

5. State the location and box number of any safety deposit boxes and who is permitted to enter the box:

YOU AND YOUR CONTACTS

Your Executor

It is your privilege and responsibility to name the person who will take care of all business matters and distribute your property as instructed by you in your will. Expenses may be reduced by stating that this person may serve without bond. The executor should be familiar with your family and competent to handle financial and business affairs. Unless you name an executor in your will, the probate court will appoint an administrator, in which case a bond and potentially expensive reporting will be required. This will probably increase the time and costs of administering and distributing your estate.

Executor _____

Address _____

City _____ State _____ Zip _____

Home Phone () _____ E-mail: _____

Relationship, if not a spouse _____

Alternate Executor

In case the person above is unable to serve, please name an Alternate Executor.

Name _____

Address _____

City _____ State _____ Zip _____

Home Phone () _____ E-mail: _____

Relationship _____

Guardian for Minor Children

If you have minor children (under age 18, in most states), a guardian should be named for their care in your will. For many parents, this is the most important reason for having a will. The guardian is the person who has actual physical custody of your minor children. If you do not select a guardian, the court will appoint one for you if there is no surviving parent. In this case, your children may be forced to live with someone you would not have chosen. It is important to select a guardian who shares your values and ideals and will teach those values to your children. If you are married, your primary guardian will usually be your spouse. However, an alternate guardian should be named in the event that your first choice of guardian is deceased or unable to serve.

If your spouse is to serve as first choice for guardian (as is the case in most instances where your surviving spouse is the parent of the child), write “spouse” in the first guardian space below. For your alternate guardian, if there is a death or divorce, you will want to review this selection and decide to select another person.

Guardian _____

Address _____

City _____ State _____ Zip _____

Home Phone () _____ E-mail: _____

Relationship, if not a spouse _____

Alternate Guardian

Name _____

Address _____

City _____ State _____ Zip _____

Home Phone () _____ E-mail: _____

Relationship _____

Healthcare - Protecting Yourself If Seriously Ill

There are two primary documents that will provide for your future healthcare. A durable power of attorney for healthcare empowers another person you select to make key decisions on your care. These could include whether an operation should be done or other major healthcare decisions should be made.

A second document is a living will. If you are in your final weeks or days of life, then decisions must be made with respect to nutrition, hydration, resuscitation and other critical care.

A durable power of attorney for healthcare is important to ensure that the right person has been selected. It is called a “durable” power because it is effective even if you are ill and not capable of making your own decisions.

In some states the living will and durable power of attorney are combined in an “Advance Directive” document.

Please select your primary and secondary healthcare decision makers.

Healthcare Power of Attorney

Healthcare Power of Attorney _____

Address _____

City _____ State _____ Zip _____

Home Phone () _____ E-mail: _____

Relationship, if not a spouse _____

Alternate Healthcare Power of Attorney

Name _____

Address _____

City _____ State _____ Zip _____

Home Phone () _____ E-mail: _____

Relationship, if not a spouse _____

Durable Power of Attorney for Finances

A common concern is, "What if I am sick and no longer able to manage my property?" Unfortunately, there are far too many cases of the property of senior persons being mismanaged or taken away by fraud or misrepresentation. A very good plan for protection of yourself and your property is to have a durable power of attorney for finances.

If you are no longer able to manage your property or later wish to have someone else manage your property, this durable power of attorney will give the person you select the legal authority to buy, sell and manage your property. Of course, if you have a revocable living trust, the successor trustee will manage the property in the trust. But it is still very possible that you own other property personally. The durable power of attorney for finances enables the individual you designate to manage your property and provide for your care.

Do you want to create a durable power of attorney for finances? Yes _____

If married, does your spouse want a durable power of attorney? Yes _____

For the durable power of attorney please list information about the selected person.

Finances Power of Attorney

Primary Name _____

Address _____

City _____ State _____ Zip _____

Home Phone () _____ E-mail: _____

Relationship, if not a spouse _____

Alternate Finances Power of Attorney

Name _____

Address _____

City _____ State _____ Zip _____

Home Phone () _____ E-mail: _____

Relationship, if not a spouse _____

ESTATE FINANCES

Please list all of your assets and liabilities. This will help your advisor plan your estate. Most people learn at the end of this exercise that they are worth more than that they think!

Asset	\$ Total Value of Asset	Check if Joint Property	Check if Husband's Property	Check if Wife's Property
Example Property	\$298,000		✓	
Real Estate				
Main Residence Address:				
Second residence				
Vacation home				
Checking Accounts				
Bank, Account Number				
Savings Accounts/ CDs/ Money Market Funds, Credit Union Accounts				
Bank, Account Number				
Tax Sheltered Annuity - not in retirement plan:				

Assets (Continued)	\$ Total Value of Asset	Check if Joint Property	Check if Husband's Property	Check if Wife's Property
Investments				
Bonds or Bond Fund: Custodian, Account Number				
Stocks or Stock Fund: Custodian, Account Number				
Saving Bonds:				
Personal Property				
Furniture/Household furnishings:				
Tools & Equipment:				
Antiques/ Collections:				
Jewelry:				
Automobiles/Vehicles:				
Business Interests:				
Life Insurance-Face amount/ death benefit				
Retirement (IRA/401k/403b) Custodian, Acct#				
Miscellaneous:				
TOTAL ASSETS: \$				

Liabilities	\$ Total Value of Asset	Check if Joint Property	Check if Husband's Property	Check if Wife's Property
Mortgage on Personal Residence:				
Second Residence:				
Vacation Home:				
Vehicle Debts:				
Charge Accounts:				
Installment Contracts:				
Loans on Life Insurance:				
Other Debts:				
TOTAL LIABILITIES/ DEBTS:				
TOTAL ESTATE: (Assets Less Liabilities)				

Sources of Your Property:

PLANNING YOUR ESTATE

When you are planning your estate, there are several decisions that must be made. First, you may select one of three options for a single person or for a married couple. After selecting your desired estate planning option, then you will be able to enter the information for that plan.

Single Person

1. **Simple Will.** With a simple will, you may transfer specific property, and then give away what is left or the residue of your estate. Your simple will transfer your property to family members or favorite charities.
2. **Will With Trust for Minor Children.** If you are a single parent with minor children, it will be important to select a guardian and a trustee to manage assets for their benefit.
3. **Will With “Give It Twice” Trust.** As a single person, you may desire to benefit children, nephews, nieces or other relatives and also assist charity. A “Give It Twice” Trust pays income to family with remainder to charity.

Married Couple

1. **Simple Will.** If you pass away first, your estate is transferred to your surviving spouse. If you are the survivor, with a simple will you may transfer specific property and then give away the residue of your estate. Your simple will may transfers your property to family members or favorite charities.
2. **Will With Trust for Minor Children.** If you pass away first, your estate is transferred to your surviving spouse. If you are the survivor and have minor children, it will be important to select a guardian and a trustee to manage assets for their benefit.
3. **Will With “Give It Twice” Trust.** If you pass away first, your estate is transferred to your surviving spouse. If you are the survivor, you may desire to benefit children, nephews, nieces or other relatives and also assist charity. A “Give It Twice” Trust pays income to family with remainder to charity.

What is the “right amount” to leave for children, nephews or nieces? Here are three guiding principles for deciding on that amount.

First, everyone should provide for the needs of his or her family. Second, this means that the inheritance provides a reasonable level of increased standard of living for the child, nephew or niece. Third, there are many children who have received an inheritance large enough to cover both needs and wants. An inheritance that covers too many “wants and desires” may lead to unhappiness, greed and lack of incentive to be a productive person.

Finally, are there guidelines for leaving children a substantial inheritance? Some parents have been careful with their resources and have accumulated a significant estate. How can a larger estate be transferred with a good result for children?

First, a larger inheritance will be used more wisely if it is distributed over a longer time and at a later age. A lump sum at one time may be unwise. Many younger children who receive a large inheritance at an early age spend it within 18 months. When asked where the inheritance went they may reply, “Well, I spent it on cars, boats and vacations, and wasted the rest!”

Second, transfer a larger inheritance over a period of years. A good plan includes a distribution of principal when the parents pass away, income for a period of years and a second payout of deferred principal.

Third, set up a target number for the inheritance. The total inheritance can then be designed to pass that amount to a child, nephew or niece. A target number is the sum of the principal and income given through the inheritance plan. With careful thought, the plan can move a substantial amount to family, while still permitting your child to learn to know the joy and rewards of work.



PLANNING OPTIONS FOR SINGLE INDIVIDUALS

Plan Options - Please Circle #1, #2 or #3 and Complete That Section

1. Simple Will - Single Person

For a single person or surviving spouse there is a simple will for adult children, nephews or nieces. If the estate is under the federal exemption amount (\$3.5 million in 2009) this plan may work well. With a simple will, it is possible to transfer a specific property or amount, and then to divide the balance or residue of the estate among children, nephews or nieces. Many individuals also decide to leave a bequest to charity.

An option you might consider is to treat your favorite charities collectively as one child, or one nephew or niece. The estate could be divided among your selected charities and children. Consider an example of a person with three nieces. Under this plan, the charities together are considered the fourth niece. Therefore, the three nieces and the charitable portion will each receive $\frac{1}{4}$ of the estate. The $\frac{1}{4}$ transferred to charity could be divided on a percentage basis between your favorite charities.

Specific Bequests

Bequests of items or amounts to family or to charity.

<u>Item or Amount</u>	<u>Recipient, City and State</u>
1. _____	_____
2. _____	_____
3. _____	_____
4. _____	_____

Residue of Estate

Percent of residue to family or to charity.

<u>Percent</u>	<u>Recipient, City and State</u>
1. _____% to _____	_____
2. _____% to _____	_____
3. _____% to _____	_____
4. _____% to _____	_____

2. Will with Trust for Children - Single Person

If you are a single parent with minor children or desire a trust for your children, this option can work well. This option assumes that one trust is created with income distributions made equally to children until the selected age. However, the trustee may be given the right to invade the trust for the support or education of children. You will need to select a trustee and choose the age of the youngest child for distribution of trust principal.

If a testamentary trust is created by will for the benefit of minor children, it does not avoid probate. This trust would only become operative if neither parent is living. Funds from the trust are then given by the trustee to the guardian to provide for your children's care and living expenses, including college. The trustee or guardian may be a single person, but could be two individuals as co-trustees or co-guardians if you so desire.

The trustee's responsibilities continue on until your child reaches the age you specify for the final distribution of any unused trust funds. The trustee can be the same person as the guardian if you so choose. Careful consideration should be given to this important position. Integrity and the ability and experience to manage financial assets are important factors to consider. If you die without a will and leave property to your minor children, the court will appoint a conservator for your estate unless you establish a trust for your children.

There are many advantages of a trust over a conservatorship. A conservator is generally appointed by a court and must follow rigid statutory rules. He or she must file an accounting and petition for approval before the court annually. This can result in expensive court costs and attorney fees. A conservatorship also ends at age 18 for each child and the child receives what is left in a lump sum. Ask yourself, "What will an 18 year old do with the money?" For obvious reasons, most parents don't like this arrangement. However, with a trust you can specify the age when your children will receive the principal from the trust. You don't have to give it all to them in a lump sum when they reach age 18, but may defer distribution of principal to age 25, age 30 or even longer.

Specific Bequests

<u>Item or Amount</u>	<u>Recipient, City and State</u>
1. _____	_____
2. _____	_____
3. _____	_____
4. _____	_____

Name, City and State of Trustee

Primary Name _____

Address _____

City _____ State _____ Zip _____

Home Phone () _____ E-mail: _____

Relationship, if not a spouse _____

Age for ending trust and distributing principal to children _____.

Charity in Trust

It is also possible to include favorite charities in your final trust distribution. A popular option is to treat the charities collectively as one child at termination of the trust. If you would like to choose this option, please check here _____. In this case, all charities listed will divide one share and your children will each receive one share. Option: If you want selected charities to have a larger or smaller percent of your estate, you may also list that percent here _____.

Charities to divide one share - % Share, Legal Name, City and State

1. _____% to _____
2. _____% to _____
3. _____% to _____
4. _____% to _____

3. “Give It Twice” Trust for Family - Single Person

Another popular option for a single person or surviving spouse is to divide the estate into two parts. The first portion of the estate is given to the children when you pass away. The other part is transferred to a “Give It Twice” Trust. This is a charitable remainder unitrust that pays 5% each year to children for 20 years (5% times 20 years equals 100% - or you may select 6% for 18 years). After paying income to children for 20 years, the trust corpus is given to favorite charities.

For example, a surviving spouse had an estate of \$600,000. She gave \$200,000 outright to children from the estate and placed \$400,000 in the “Give It Twice” trust. After payouts of over \$400,000 from the trust, the principal was given to her selected charities. Her children received \$600,000 - \$200,000 directly from the estate and \$400,000 of income from the trust.

Specific Bequests

Bequests of items or amounts to family or to charities.

<u>Item or Amount</u>	<u>Recipient, City and State</u>
1. _____	_____
2. _____	_____
3. _____	_____
4. _____	_____

If you select this option, please choose the portion outright and the part in the “Give It Twice” trust (the total of the two percentages will be 100%).

Outright to Children _____% To “Give It Twice” Trust _____%

Children In Trust

Children to receive trust income - % Share, Legal Name, City and State

1. ____% to _____

2. ____% to _____

3. ____% to _____

4. ____% to _____

Charities at the End of The Trust

Charities to receive trust remainder - % Share, Legal Name, City and State

1. ____% to _____

2. ____% to _____

3. ____% to _____

PLANNING OPTIONS FOR MARRIED COUPLES

Please choose one of the three options and fill out the information for that form only.

1. Simple Will - Married Couple

A married couple with an estate below the Federal exemption amount (\$3.5 million each in 2009) may desire a simple will. The first estate may include specific bequests to children or charity with the balance transferred outright to the surviving spouse. The estate of the surviving spouse may then be transferred by specific bequest or percent of the residuary to children or charity.

An option that you might consider is to treat your favorite charities collectively as one child. The estate of the surviving spouse could be divided among your selected charities and children. Consider an example with three children. Under this plan, the charities together are considered the fourth child. Therefore, the three children and the charitable portion will each receive $\frac{1}{4}$ of the estate. The $\frac{1}{4}$ transferred to charities could be divided on a percentage basis to your favorite charities.

First Estate - Specific Bequests, Balance to Spouse

Bequests of items or amounts to family or to charities.

Item or Amount

Recipient, City and State

1. _____	_____
2. _____	_____
3. _____	_____
4. _____	_____

Bequests of Percentage of First Estate to Family or Charities, Balance to Spouse.

Percent Recipient, City and State

1. _____% to _____

2. _____% to _____

3. _____% to _____

4. _____% to _____

Second Estate - Specific Bequests

Bequests of items or amounts to family or to charities.

Item or Amount

Recipient, City and State

1. _____

2. _____

3. _____

4. _____

Residue of Second Estate

Percent of residue to family or to charities.

Percent Recipient, City and State

1. _____% to _____

2. _____% to _____

3. _____% to _____

4. _____% to _____

2. Will With Trust for Children - Married Couple

If you are a couple with minor children and desire a trust for children, this option can work well. A married couple with an estate below the Federal exemption amount (\$3.5 million in 2009) may choose to protect and benefit children with a trust. The first estate may include specific bequests to children or charity with the balance transferred outright to the surviving spouse. The estate of surviving spouse may then be transferred by specific bequests with the residue passing to a trust for children.

This option assumes that one trust is created with income distributions made equally to children until the selected age. However, the trustee may be given the right to invade the trust for the support or education of children. You will need to select a trustee and choose the age of the youngest child for distribution of trust principal.

First Estate - Specific Bequests, Balance to Spouse

Bequests of items or amounts to family or to charities.

Item or Amount

Recipient, City and State

1. _____
2. _____
3. _____
4. _____

Bequests of Percentage of First Estate to Family or Charities, Balance to Spouse.

Percent

Recipient, City and State

1. _____% to _____
2. _____% to _____
3. _____% to _____
4. _____% to _____

Second Estate - Specific Bequests

Bequests of items or amounts to family or to charities.

Item or Amount

Recipient, City and State

1. _____

2. _____

3. _____

4. _____

Name, City and State of Trustee

Primary Name _____

Address _____

City _____ State _____ Zip _____

Home Phone () _____ E-mail: _____

Relationship, if not a spouse _____

Age for ending trust and distributing principal to children _____.

Charity in Trust

It is also possible to include charities in your final trust distribution. A popular option is to treat charities collectively as one child at termination of the trust. If you would like to choose this option, please check here _____. In this case, all charities listed will divide one share and your children will each receive one share. Option: If you want selected charities to have a larger or smaller percent of your estate, you may also list that percent here _____.

Charities to divide one share - % Share, Legal Name, City and State

1. _____% to _____

2. _____% to _____

3. _____% to _____

4. _____% to _____

3. "Give It Twice" Trust for Family - Married Couple

A married couple with an estate below the Federal exemption amount (\$3.5 million in 2009) may desire a simple will. The first estate may include specific bequests to children or charity with the balance transferred outright to the surviving spouse.

First Estate - Specific Bequests, Balance to Spouse

Bequests of items or amounts to family or to charities.

<u>Item or Amount</u>	<u>Recipient, City and State</u>
1. _____	_____
2. _____	_____
3. _____	_____
4. _____	_____

Bequests of Percentage of First Estate to Family or Charities, Balance to Spouse.

<u>Percent</u>	<u>Recipient, City and State</u>
1. _____ % to _____	_____
2. _____ % to _____	_____
3. _____ % to _____	_____
4. _____ % to _____	_____

Second Estate - Specific Bequests

Bequests of items or amounts to family or to charities.

<u>Item or Amount</u>	<u>Recipient, City and State</u>
1. _____	_____
2. _____	_____
3. _____	_____
4. _____	_____

Residue of Second Estate

Percent of residue to family or to charities.

Percent Recipient, City and State

1. _____% to _____

2. _____% to _____

3. _____% to _____

4. _____% to _____

Another popular option for the estate of a surviving spouse is to divide the second estate into two parts. The first portion of the estate is given to the children when you pass away. The other part is transferred to a “Give It Twice” Trust. This is a charitable remainder unitrust that pays 5% each year to children for 20 years (5% times 20 years equals 100% -- or you may select 6% for 18 years). After paying income to children for 20 years, the trust corpus is given to favorite charities. If you select this option, please choose the portion outright and the part in the “Give It Twice” trust (the total of the two percentages will equal 100%).

Outright to Children _____% To “Give It Twice” Trust _____%

Children In Trust

Children to receive trust income - % Share, Legal Name, City and State

1. _____% to _____

2. _____% to _____

3. _____% to _____

4. _____% to _____

Charities at the End of The Trust

Charities to receive trust remainder - % Share, Legal Name, City and State

1. _____% to _____

2. _____% to _____

3. _____% to _____

1. List to Dispose of Personal Property

Your will or trust is designed to transfer property to the person you select. However, many states permit you to update and maintain a list of personal items that may be changed whenever you desire. The lists must be signed, dated and describe the personal property and name the recipient.

Under the laws of most states, you are permitted to make a list of property that may include jewelry, silver, china, furniture, and collections of stamps, coins, art and other personal items that are movable. The advantage of this list is that you may update it as you buy or sell these items or you may change your mind about who should receive china, silver, rings or other personal items.

By making and updating this list, you can change the recipients as your property changes. It is important to be certain that you have signed and dated each list. Only the last list you have completed before your demise will be valid.

If some items on this list are very valuable (especially art and other collections), then it is important to discuss the transfer of these items with your professional advisor. Your advisor may use language similar to the language below in your will:

Example Language

“Under the laws of the State of _____ I may leave a written statement or a list, dated and signed by me, disposing of certain items of my tangible personal property. Any such list with date and signature shall be effective to transfer the named personal property. If no signed and dated list is identified by my Personal Representative within thirty days after his or her qualification, it shall be presumed that there is no statement or list and any subsequently discovered statement or list shall be ignored.”

Anytime you update your list, make a copy and send the original to your attorney or personal representative for safekeeping. Please make your list here:

<u>Description/Location</u>	<u>Recipient, City and State</u>
1. _____	_____
2. _____	_____
3. _____	_____
5. _____	_____
6. _____	_____
7. _____	_____
8. _____	_____
9. _____	_____
10. _____	_____

Ways to Give or Transfer of Personal Property

Give During Life. Many senior persons start the gift process during life. By giving personal items to children and other heirs, they understand and appreciate the gift.

Consider Preferences. Some children may desire a piano or other instrument. Others may prefer to receive valuable books or china. Discuss the goals of heirs and attempt to make gifts that will be most meaningful to each person.

Leave instructions. The list is very useful. Other items could be distributed through a “rotating choice” plan. Everyone meets together and each person may take a turn at selecting one item.

Frequently Asked Questions (FAQs)

1. Why should I make a will?

A will allows you to state how you want your property (estate) distributed, name an Executor (also called a Personal Representative) to distribute your property, pay debts and taxes, handle other business affairs to settle your estate, name a Guardian for your minor children, provide for your favorite charities and set up trust funds.

Having a will speeds up the process of distributing your property after your death and can save expenses. Without a will, state laws dictate who receives your property, who serves as Administrator (the name usually given to a court-appointed Executor) to settle your estate and who serves as Guardian for your minor children. Furthermore, without a will, there is no charitable bequest to your favorite charity. State laws are strict and rigid and rarely match what you would want to happen. Furthermore, without a will, your estate costs are likely to be much higher. There are many cases in which a person saved a few hundred dollars by not signing a valid will, and the estate then spent tens of thousands of dollars to settle disputes and distribute the property.

2. Does a will distribute all of my property?

Certain assets pass outside of the will. For example, assets owned jointly by two persons with rights of survivorship will pass directly to the surviving owner. Life insurance, IRAs and pension plan proceeds go directly to the designated beneficiary. Property placed in a living trust is controlled by the provisions of the trust, not your will.

3. If I have a living trust, do I still need a will?

Yes. The living trust provisions apply to assets placed in the trust but the will controls other assets that have not been placed in the trust, such as furniture, household furnishings, clothing, personal property and any property acquired after funding the living trust. Typically, the residue from your probate estate is added to your living trust.

4. How can I change my will or living trust after they have been signed?

First, never cross out a sentence or words or make notes on your will or trust. These handwritten notes are an invitation for estate litigation. To change the will, your attorney will prepare a “codicil” which is an amendment to your will. If many changes are desired, your attorney may draft a new will. A living trust is changed by your attorney drafting an amendment to the trust. A codicil to your will or amendment to your trust must be signed and witnessed, following the same formalities that were used in the initial signing of the will or living trust.

5. If I become divorced, is my will revoked?

In some states – yes, it is revoked. In others, a divorce may have the effect of revoking only the provisions that relate to your former spouse. You should check with your attorney to find out what your state law says if you are contemplating divorce. Most of the time, your attorney will advise you to sign a new will after the divorce.

6. What is probate?

Probate is the court-supervised legal procedure that determines the validity of your will (if you have one). The probate judge supervises the gathering and inventory of your estate assets, payment of debts, taxes and administrative costs, and the distribution of your remaining assets to your beneficiaries (if you have a will) or, if not, to as determined by state law. Probate of a smaller estate after one's death may be a simple process and not costly. However, probate of larger estates can involve significant time and costs. With proper planning, needless expenses can be reduced.

7. How can I avoid probate?

It takes careful estate planning. Some of the ways to avoid probate include jointly owned assets with rights of survivorship or creating a living trust that is funded during your lifetime. Also, assets such as IRAs, life insurance and pension plans can go directly to your designated beneficiary without probate. Since living trust assets avoid probate, individuals who value privacy place assets in their trust. Assets passing under a will do not have this benefit, since a will becomes a public document after a person's death. Bank accounts and brokerage accounts can be transferred to individuals or charities in desired percentages by POD (Payable on Death) or TOD (Transfer on Death) designations added to those accounts. In some states, a beneficiary deed can transfer real estate to individuals or charities at your death without probate.

8. What is a will "contest"?

If a disgruntled relative seeks to have the will declared invalid by filing a lawsuit, a will contest occurs. The disgruntled relative usually feels that he or she did not get "their fair share" of your estate. He or she hopes to have the will declared invalid and thereby attempts to gain an increased share.

Some of the reasons that wills are contested include: claims that the person was not of sound mind when the will was created, that the person did not understand what was being done, or that the person was under coercion or undue influence. Some states allow "self-proving" wills, to help discourage will contests. With a self-proving will, the signer and witnesses affirm that the will signing is valid and then the will or affidavit is notarized.

10. How can I leave a charitable bequest?

It can be as simple as stating in your will the amount or percentage value of your estate that you want to go to a favorite charity. A charity may also be named as a beneficiary on life insurance, IRAs and other retirement plans by listing the charity on a change of beneficiary form provided by the company. You can also list charities as a full or partial beneficiary of a bank or brokerage account through POD (Payable on Death) or TOD (Transfer on Death) designations. Real estate can also be transferred in some states by beneficiary deeds or by a life estate deed signed during your lifetime.

11. When should I update my will and estate plan?

About every two or three years, or sooner if any of the following occur:

1. You move to another state
2. Death of spouse or divorce
3. Change in estate value or receiving an inheritance
4. Incapacity or death of you or your spouse
Executor, Guardian, Trustee or Agent
5. Birth of children or grandchildren
6. Change in charitable giving plans

The Shortest Day

Every day has 24 hours – 1,440 minutes – 86,400 seconds. Or does it? A short day is coming for all of us – a day when we will not reach the 86,400th second, and will pass on to our final reward.

We may have lived a long and useful life, filled with great memories. First, the “learning” years – youthful and vibrant time spent in school with classmates. Second, the “earning” years – starting that first job, building a career and meeting many friends and business associates.

“How much of an estate did he leave?”

His accountant’s answer was:

“All of it.”

Third, the “retirement” years – when you finally have time to enjoy visits with all of your family and friends.

In many ways you have made a difference for family, friends and countless others during your lifetime. Yet

there is one more part of life – the chance through your estate to make a meaningful difference in the lives of those in need. I invite you to consider this story.

John D. Rockefeller founded Standard Oil in 1870 and became the richest man on the planet. When he passed away, his accountant was asked,

“How much of an estate did he leave?”

His accountant’s answer was:

“All of it.”

During his lifetime John D. Rockefeller accumulated many assets. He also gave generously both during his lifetime and through his estate.

You also have accumulated and given. Yet, in your estate the accumulation period is over. As was true with John D. Rockefeller, everything will be given to someone or for some purpose.

Thank you for your gifts during life. I know you have carefully thought about how much to give, to whom to give and how to give. Now I invite you to think about a “living legacy.”

This is called a “living legacy” from your estate because through this gift you live on – at least in the sense that your lifelong efforts for accumulation continue to bear fruit in helping others.

Many of our friends find great joy and satisfaction during life, knowing that their estate will someday make a great difference in the lives of others. By completing this guide and a will with benefits for family and charity, you too can join in that happiness.

“The Shortest Day” may be coming soon or may be many years into the future. But your chance for the satisfaction of a legacy that touches many others can be here today.

Thank you again for your generous support of those in need!

