

# Congregational Planned Giving Resource Sheets

## Close the Gaps in Your Estate Plan

Do you have a will? If you answered “yes,” then congratulations—you are ahead of the many people who do not. Now you are set for the rest of your life, right? Not necessarily.

Preparing and signing a will is only the first step toward ensuring that your wishes are carried out after you are gone. Your estate plan should include:

- **A current will.**
- **A living will and a health care power of attorney.** These documents will protect you should you become unable to make medical decisions
- **A durable power of attorney.** This document will allow someone you appoint to act on your behalf, when necessary, for financial purposes.
- **Possibly a trust.**

Even if you have prepared and signed all these documents, it’s easy to overlook details that may result in your wishes not being fulfilled. Simple changes can be amended with a codicil, a legal instrument made to modify an earlier will, while significant alterations may require a newly created will.

## Here are seven easy actions to take to make sure your estate plan is the best it can be:

1. **Review your will every few years to make sure it is still current.** You may have new grandchildren, a previously named beneficiary may have died or perhaps you have moved. If you have indeed moved, laws regarding wills vary from state to state, so you may need a new will.
2. **Consider leaving highly appreciated assets,** such as stocks or real estate, to your heirs. Your heirs will then have a stepped-up cost basis, reducing their capital gains tax liability if they later choose to sell these assets.
3. **Decide if you’d like to avoid probate** by putting assets into a revocable living trust. Merely specifying in the trust document that it includes such assets as your house or car is not enough to transfer the assets. The actual ownership or title to these assets must be legally transferred to the trustee. Not all assets can be owned inside a living trust, so be sure to discuss your situation with your attorney. Cash, securities, real estate and other such assets not held inside the trust must still go through probate.
4. **Be especially careful in your decision-making if you and/or your spouse have children from a prior marriage.** Do you want your house to go to your spouse or to your children? What about personal items? If everything goes to your spouse, it could eventually end up in



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the hands of his or her children, not yours. The laws of succession are complicated, so decide carefully how to distribute your assets, and then make your decision clear in your will or trust.

5. **Think carefully about distributions from your retirement plan**, taking into account minimum distributions and withdrawal requirements. This type of income is taxable to you as you receive it and will also be taxable to your heirs when they receive it. Therefore, retirement assets are an excellent charitable gift to make upon your death, in part to avoid the chance of double taxation from estate and income taxes. If you want to distribute all or a portion of your retirement plan assets to charitable organizations, you need to list or specify them on the beneficiary designation form, rather than just making a provision in your will or trust.
6. **Make sure your will is properly signed according to your state's laws**, and that the executor knows where documents are kept.
7. **Finally, a difficult but essential step is to discuss your intentions** with loved ones so there are no surprises.

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