

PLANNING YOUR

*Legacy*





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# PLANNING YOUR LEGACY

Welcome to *Planning Your Legacy*. 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.

A person may work 40 or more years to gather assets but often take two hours or less to plan for distribution of those assets. Too many times there has been little planning, or sometimes no planning, and this process becomes burdensome for family members.

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 how to update your estate plan with a will and also make plans for your potential medical decisions.

*Planning Your Legacy* 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 a comfort to your family while fulfilling your desires for friends, family and charity.

## **What are the benefits of an estate plan?**

**Peace**—An estate plan is designed to help you provide for those you love and causes you believe in, 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 minimal cost.

**Protection**—In addition, a good plan will protect 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 *Planning Your Legacy* 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.

### **What 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 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. Please visit our website at [legacygiving.lawrence.edu](http://legacygiving.lawrence.edu) and learn about wills. In addition, we are always available to help. Call or email us at 920-832-6551 or [legacygiving@lawrence.edu](mailto:legacygiving@lawrence.edu) for more information.

### **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 you select (not the one a probate judge chooses) will be managing your property. A good will is able to 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 documents or those documents don’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.

## **STEPS TO A “SLEEP WELL” PLAN**

- 1. Complete this Guide.** Provide information about your family, estate and goals.
- 2. Transfer your answers to the online Wills Planner.** Visit our website [legacygiving.lawrence.edu](http://legacygiving.lawrence.edu) and click on “Plan Your Will” to create a secure online account. (You may also choose to take this guide directly to your attorney to finalize your will.)
- 3. Provide access privileges to your Advisors.** Login to your secure online account through our website and click on “My Settings.”
- 4. Create a PDF of your information and provide it to your Attorney.** Click on “Create PDF for printing” and print your document. You will need to provide this document to your attorney to finalize your plan.

# MEANINGFUL DIFFERENCE

We may have lived a long and useful life, filled with great memories. First, the “learning” years—that 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. 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 accumulation efforts 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 an estate plan with benefits for family and charity, you too can join in that happiness.

While you can't control when this plan will be put into effect—it could be many years in the future—you can have the satisfaction of planning your legacy today and knowing your wishes will be carried out.

Thank you again for your generous support of Lawrence University!

# 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 a will or trust, 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/Trust and Medical Directives

Finally, it is important to sign the documents that correctly express 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.**

### Current Will

Your will is a written document, signed by you and by two or more witnesses. In some states, your signature must 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 increase. You can provide a wonderful legacy for family with an updated will and a sound estate plan.

## Durable Power of Attorney for Finances

You probably are a very good financial manager. As long as you are personally 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 or bills going unpaid.

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.

## 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 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

### Living Trusts

If you have a moderate or large estate, own real estate in more than one state, live in a state with a cumbersome probate process, or are concerned about incapacity planning, 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 is not made public during the probate process.

### Custom Estate Plan for Business, Investments, a Special Needs Child or Blended Families

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. Blended families (i.e., where not all of the children are the shared children of both spouses) need custom planning, too, in order to balance the interests of the surviving spouse and the children of the deceased spouse.

### IRA, 401(k) or Other Retirement Plan

Your IRA, 401(k) 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 401(k) 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.

### 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.

### 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.

### 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 two-life annuity, the payments will last until both parties have passed away.

### Donor Advised Funds

Many families find that a Donor Advised Fund (DAF) 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 the 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 DAF 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.

### 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 the donors often have done throughout their lives). Endowments may be left to community or religious foundations or often directly to the charity with instructions for 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.



# 1. YOU AND YOUR FAMILY

**Please tell us 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 divorced, do you have continuing financial obligations to your former spouse?  Yes  No

If you are widowed, what date did this occur? \_\_\_\_\_

Home Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ ZIP \_\_\_\_\_

Home Phone \_\_\_\_\_ Email \_\_\_\_\_

Employer \_\_\_\_\_

Job Title \_\_\_\_\_ Work Phone \_\_\_\_\_

Are you a U.S. Citizen or Lawful Permanent Resident?

No  Born in the U.S.  Naturalized  LPR

Check which documents you presently have:

Will

Living Will

Living Trust

Durable Power of Attorney/Health Care

Durable Power of Attorney/Finances

## YOUR SPOUSE'S / PARTNER'S INFORMATION

Spouse's Full Legal Name \_\_\_\_\_

Date of Birth \_\_\_\_\_ Gender  Male  Female

Have you previously been married?

Yes  No

If you are widowed, what date did this occur? \_\_\_\_\_

Home Phone \_\_\_\_\_ Email \_\_\_\_\_

Employer \_\_\_\_\_

Job Title \_\_\_\_\_ Work Phone \_\_\_\_\_

Is your spouse a U.S. Citizen or Lawful Permanent Resident?

No  Born in the U.S.  Naturalized  LPR

Check which documents your Spouse/Partner presently has:

Will

Living Will

Living Trust

Durable Power of Attorney/Health Care

Durable Power of Attorney/Finances

Do you or your spouse have a prenuptial agreement that identifies and disposes of separate spousal property? (If yes, attach a copy.)

Yes  No

## RELIGIOUS AFFILIATION

Religious Organization \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_

**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.”**

## YOUR CHILDREN'S INFORMATION

1. Full Legal Name \_\_\_\_\_

Date of Birth \_\_\_\_\_ Social Security # \_\_\_\_\_

Marital Status:

Married  Single  Needs Special Care  Dependent  Exclude

Home Address \_\_\_\_\_

City \_\_\_\_\_

State \_\_\_\_\_ ZIP \_\_\_\_\_

Origin:

Child of Both Spouses  Child—Yours Only  Child—Spouse Only  Deceased

2. Full Legal Name \_\_\_\_\_

Date of Birth \_\_\_\_\_ Social Security # \_\_\_\_\_

Marital Status:

Married  Single  Needs Special Care  Dependent  Exclude

Home Address \_\_\_\_\_

City \_\_\_\_\_

State \_\_\_\_\_ ZIP \_\_\_\_\_

Origin:

Child of Both Spouses  Child—Yours Only  Child—Spouse Only  Deceased

3. Full Legal Name \_\_\_\_\_

Date of Birth \_\_\_\_\_ Social Security # \_\_\_\_\_

Marital Status:

Married  Single  Needs Special Care  Dependent  Exclude

Home Address \_\_\_\_\_

City \_\_\_\_\_

State \_\_\_\_\_ ZIP \_\_\_\_\_

Origin:

Child of Both Spouses  Child—Yours Only  Child—Spouse Only  Deceased

4. Full Legal Name \_\_\_\_\_

Date of Birth \_\_\_\_\_ Social Security # \_\_\_\_\_

Marital Status:

Married  Single  Needs Special Care  Dependent  Exclude

Home Address \_\_\_\_\_

City \_\_\_\_\_

State \_\_\_\_\_ ZIP \_\_\_\_\_

Origin:

Child of Both Spouses  Child—Yours Only  Child—Spouse Only  Deceased

5. Full Legal Name \_\_\_\_\_

Date of Birth \_\_\_\_\_ Social Security # \_\_\_\_\_

Marital Status:

Married  Single  Needs Special Care  Dependent  Exclude

Home Address \_\_\_\_\_

City \_\_\_\_\_

State \_\_\_\_\_ ZIP \_\_\_\_\_

Origin:

Child of Both Spouses  Child—Yours Only  Child—Spouse Only  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.**

<b>GOAL</b>	<b>RANKING</b> (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
Balance the interests of spouse and children	1	2	3	4	5
Plan for business	1	2	3	4	5
Other goals listed below	1	2	3	4	5

### Comments

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## Your Estate Planning Family Background

**1. Lifetime Gifts.** You may have made gifts to children or other heirs. Were your gifts to any person in one year more than the federal gift tax annual exclusion?

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**2. Trustee, Guardian or Executor.** Are you currently serving as a trustee of a trust, guardian of another person's children or executor of an estate?

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**3. Living Trust.** Have you previously created a revocable living trust? Or any other trust?

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**4. Inheritance.** Is it likely that you may receive an inheritance from a parent or other relative? Do you know the age of the parent or other person and the probable amount of the inheritance?

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**5. Safe Deposit Box.** If you have one, please list the bank, the city and state and who has the key.

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**6. Usernames and Passwords.** Who has access to usernames and passwords for your online accounts and computer files?

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## 2. YOU AND YOUR CONTACTS

### YOUR EXECUTOR

Your executor is the manager of your estate. Because he or she will make many decisions about the management and distribution of your estate, you should select a trusted person who understands your circumstances. An executor will usually complete eight separate steps to ensure an orderly transfer of all of your property to the right individuals:

1. Submit your will to the probate court
2. Locate your heirs
3. Determine your estate assets and values
4. Pay bills and the estate attorney
5. Make debt payments
6. Resolve any estate controversies
7. File your income and estate tax returns
8. Distribute your assets to heirs

Please name your Executor and Alternate Executor.

Executor \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ ZIP \_\_\_\_\_

Home Phone \_\_\_\_\_ Email \_\_\_\_\_

Relationship, if not a spouse \_\_\_\_\_

#### Your Alternate Executor

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

Name \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ ZIP \_\_\_\_\_

Home Phone \_\_\_\_\_ Email \_\_\_\_\_

Relationship \_\_\_\_\_

## YOUR GUARDIAN FOR MINOR CHILDREN

A very important decision for you is to decide who you would like to be the guardian of your minor children. Your guardian will raise your children, teach them values, select the schools they attend and perform the functions of a parent. If you do not have a guardian selected in a will, a court may select a person. That person may not share your cultural background, your religion, your general world view or any other aspects of the character that you think important for the person who raises your children. By selecting a guardian and an alternate in your will, you have a much better prospect of finding someone that you think is the right person to raise your children.

If there are two parents, the survivor will usually be selected as the guardian of the children. In this case enter "Spouse" as the primary guardian. But if both parents pass away, then it will be necessary to select an alternate guardian. If you are a single parent, it is especially important to carefully select a primary and alternate guardian.

### Please name your Guardian and Alternate Guardian

Guardian \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ ZIP \_\_\_\_\_

Home Phone \_\_\_\_\_ Email \_\_\_\_\_

Relationship, if not a spouse \_\_\_\_\_

### Your Alternate Guardian

Guardian \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ ZIP \_\_\_\_\_

Home Phone \_\_\_\_\_ Email \_\_\_\_\_

Relationship \_\_\_\_\_

## POWER OF ATTORNEY FOR HEALTHCARE

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 that 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.

### Power of Attorney for Healthcare

Full Name \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ ZIP \_\_\_\_\_

Home Phone \_\_\_\_\_ Email \_\_\_\_\_

Relationship, if not a spouse \_\_\_\_\_

### Alternate Power of Attorney for Healthcare

Full Name \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ ZIP \_\_\_\_\_

Home Phone \_\_\_\_\_ Email \_\_\_\_\_

Relationship, if not a spouse \_\_\_\_\_

## POWER OF ATTORNEY FOR FINANCES

A common concern is, “What if I am sick and am no longer able to manage my property?” Unfortunately, there are far too many cases in which the property of senior persons are mismanaged or taken away by fraud or misrepresentation. A very good plan to protect 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  No

If married, does your spouse want a durable power of attorney?  Yes  No

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

### Power of Attorney for Finances

Full Name \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ ZIP \_\_\_\_\_

Home Phone \_\_\_\_\_ Email \_\_\_\_\_

Relationship, if not a spouse \_\_\_\_\_

### Alternate Power of Attorney For Finances

Full Name \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ ZIP \_\_\_\_\_

Home Phone \_\_\_\_\_ Email \_\_\_\_\_

Relationship, if not a spouse \_\_\_\_\_

# 3. 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 they think!

ASSET	\$ TOTAL VALUE OF ASSET	CHECK IF JOINT PROPERTY	CHECK IF YOUR PROPERTY	CHECK IF YOUR SPOUSE'S PROPERTY
Example Property	\$298,000		<input checked="" type="checkbox"/>	
<b>REAL ESTATE</b>				
Main Residence Address				
Second Residence Address				
Vacation Home				
<b>CHECKING ACCOUNTS</b>				
Bank Account Number				
<b>SAVINGS ACCOUNTS/CDs/MONEY MARKET FUNDS/CREDIT UNION ACCOUNTS</b>				
Bank Account Number				
Tax Sheltered Annuity— not in Retirement Plan				

ASSET	\$ TOTAL VALUE OF ASSET	CHECK IF JOINT PROPERTY	CHECK IF YOUR PROPERTY	CHECK IF YOUR SPOUSE'S PROPERTY
<b>INVESTMENTS</b>				
Bonds or Bond Fund Custodian, Account Number				
Stocks or Stock Fund Custodian, Account Number				
Saving Bonds				
<b>PERSONAL PROPERTY</b>				
Furniture/Household Furnishings				
Tools & Equipment				
Antiques/Collections				
Jewelry				
Automobiles/Vehicles				
Business Interests				
Life Insurance— Face Amount/Death Benefit				
Retirement (IRA/401(k)/403(b)) Custodian, Account Number				
Other Retirement Plan				
Miscellaneous				
<b>TOTAL ASSETS: \$</b>				

LIABILITIES	\$ TOTAL AMOUNT OF DEBT	CHECK IF JOINT DEBT	CHECK IF YOUR DEBT	CHECK IF YOUR SPOUSE'S DEBT
Mortgage on Personal Residence				
Mortgage on Second Residence				
Mortgage on 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

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## 4. 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, 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, then give away what is left (the “residue” of your estate). Your simple will may 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 the 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, then give away the residue of your estate. Your simple will may transfer 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 the remainder to charity.

## THE “RIGHT AMOUNT” INHERITANCE

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

**First**, many people choose to provide for the needs of their 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 positive result for children?

**First**, a larger inheritance may 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.



# 5. ESTATE PLANS FOR SINGLE INDIVIDUALS

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 estate tax exemption amount and any applicable state estate tax threshold, 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 one-quarter of the estate. The one-quarter transferred to charity could be divided on a percentage basis among your favorite charities.

### Specific Bequests

Bequests of items or amounts to family or to charity.

	Item or Amount	Recipient	City and State
1.	_____	_____	_____
2.	_____	_____	_____
3.	_____	_____	_____
4.	_____	_____	_____

### Residue of Estate

Percent of residue to family or to charity.

	Percent	Recipient	City and State
1.	_____	_____	_____
2.	_____	_____	_____
3.	_____	_____	_____
4.	_____	_____	_____

## 2. SIMPLE WILL WITH TRUST FOR CHILDREN – SINGLE PERSON

If you are a single parent with minor children or if you 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 at which 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

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 \_\_\_\_\_ Email \_\_\_\_\_

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 percentage of your estate, you may also list that percentage here \_\_\_\_\_.*

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

	Item or Amount	Recipient	City and State
1.	_____	_____	_____
2.	_____	_____	_____
3.	_____	_____	_____
4.	_____	_____	_____

### 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 such as Lawrence University.

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 more than \$400,000 from the trust, the principal was given to her selected charities. Her children received \$600,000, the sum of \$200,000 directly from the estate and \$400,000 of income from the trust. What a wonderful way of accomplishing the goal of taking care of one's family and philanthropic interests.

#### Specific Bequests

Bequests of items or amounts to family or to charities.

	Item or Amount	Recipient	City and State
1.	_____	_____	_____
2.	_____	_____	_____
3.	_____	_____	_____
4.	_____	_____	_____

#### "Give It Twice" Trust

If you select this option, please choose the portion to give to children 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

	Percent	Recipient	City and State
1.	_____	_____	_____
2.	_____	_____	_____
3.	_____	_____	_____
4.	_____	_____	_____

### Charities at the End of the Trust

	Percent	Recipient	City and State
1.	_____	_____	_____
2.	_____	_____	_____
3.	_____	_____	_____
4.	_____	_____	_____



# 6. 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 worth less than the federal exemption amount and any applicable state tax threshold 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 children and charities. 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 one-quarter of the estate. The one-quarter transferred to charities could be divided on a percentage basis among 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.	_____	_____	_____
2.	_____	_____	_____
3.	_____	_____	_____
4.	_____	_____	_____

### Second Estate—Specific Bequests

Bequests of items or amounts to family or to charities.

	Percent	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.	_____	_____	_____
2.	_____	_____	_____
3.	_____	_____	_____
4.	_____	_____	_____

## 2. SIMPLE 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 worth less than the federal exemption amount 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 the 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.	_____	_____	_____
2.	_____	_____	_____
3.	_____	_____	_____
4.	_____	_____	_____

## 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 \_\_\_\_\_ Email \_\_\_\_\_

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 percentage of your estate, you may also list that percentage.*

	Percent	Charities to divide one share	City and State
1.	_____	_____	_____
2.	_____	_____	_____
3.	_____	_____	_____
4.	_____	_____	_____



### 3. "GIVE IT TWICE" TRUST FOR FAMILY

#### "Give It Twice" Trust

If you select this option, please choose the portion to give to children 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

Percent	Recipient	City and State
1. _____	_____	_____
2. _____	_____	_____
3. _____	_____	_____

#### Charities at the End of the Trust

Percent	Recipient	City and State
1. _____	_____	_____
2. _____	_____	_____
3. _____	_____	_____



# 7. ESTATE PLANNING INFORMATION

## PERSONAL PROPERTY DISTRIBUTION

### 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 and 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.”

### Ways to Give or Transfer 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 takes a turn at selecting one item.

**Every time you update your list, make a copy and send the original to your attorney or personal representative for safekeeping.**

Please make your list of Personal Property here:

	Description	Recipient	City and State
1.	_____	_____	_____
2.	_____	_____	_____
3.	_____	_____	_____
4.	_____	_____	_____
5.	_____	_____	_____
6.	_____	_____	_____
7.	_____	_____	_____
8.	_____	_____	_____
9.	_____	_____	_____
10.	_____	_____	_____
11.	_____	_____	_____
12.	_____	_____	_____
13.	_____	_____	_____
14.	_____	_____	_____
15.	_____	_____	_____

Signature \_\_\_\_\_ Date \_\_\_\_\_

## FREQUENTLY ASKED QUESTIONS (FAQs)

### **1. Why is estate planning more than a will?**

An estate plan cares for both your property and your person. A will and, for some persons a trust, is important for the management and distribution of your property. But caring for your person requires creating a durable power of attorney for healthcare and a living will. The person who holds your durable power of attorney for healthcare can help the doctors make important decisions if you are in the hospital and not able to communicate. A living will is your statement of the care to be provided to you when you are in your final weeks or days. In some states, the durable power of attorney for healthcare and living will are combined in a document called an advance directive.

### **2. How can I avoid probate?**

In many cases, property can be transferred without probate. For example IRAs, insurance policies and some other assets may be transferred through a beneficiary designation. If you are on title with another person as joint tenant with right of survivorship, under state law property rules the real property will be transferred to the survivor. Finally, assets held in a revocable living trust will escape probate.

### **3. Who are the primary beneficiaries of a will?**

One of the first decisions that you make is to decide who receives specific land, home or personal items. These heirs and/or charities are your primary beneficiaries.

### **4. When should you select a contingent beneficiary?**

If you have given a primary beneficiary a specific item like a family heirloom, it is a very good idea to select a contingent beneficiary. However, if you do not, then the property simply is part of the residue of your estate. After distribution of specific property and payment of costs and taxes, the balance of the estate property is called the residue.

### **5. Why should you create a trust for minor beneficiaries?**

Receiving property at a young age frequently leads to indulgence and serious problems. If you plan to leave property to minors, it is important to select a trustee to manage the property.

**6. Should you forgive your children's debts?**

Many parents pass away with outstanding loans to children. If you do decide to forgive debts to children or other family members, you may also want to include an offsetting gift of cash or other property to those family members who do not receive any debt forgiveness. In this way, you can keep the total benefits under the will even among your children or other heirs.

**7. Why is selecting a guardian for minor children so important?**

The guardian will perform most of the functions of a parent in teaching the child, selecting his or her school, providing ethical or religious education and many other aspects of the child's life.

**8. If you have minor children and a substantial estate, should the same person be guardian of your children and trustee of their trust?**

If there is a substantial property inheritance for the child, it may be risky to transfer both the guardianship and the property to the same individual. After the parents pass away and the guardian has control of the property, there may be a temptation to spend income and principal for personal benefits rather than for the care of the child. You may prefer to select another person or commercial institution as trustee to manage the property. The trustee performs an important check-and-balance role. He or she can also distribute income, and if needed, principal for the benefit of the children.

**9. Should medical papers and a living will (along with the executed original of the last will and testament) be kept in your safety deposit box?**

**No.** If you are ill and in the hospital, the durable power of attorney for healthcare or advance healthcare directive will need to be available to your healthcare agent. They may not have access to your safety deposit box. Your healthcare powers should be given to a friend or advisor so they are available if you are in the hospital and need their assistance.

**10. Is it important to express your preferences on end-of-life care through an advance directive or living will?**

**Yes.** While the states may use different forms and have a different name for the document, all permit you to express your end of life healthcare preferences.

**11. Is a family member who lives in your area a good choice for your healthcare agent?**

While you can select any family member who lives in another state as your healthcare agent, it is helpful to select a person who is in the area so that he or she is available if you need an immediate healthcare decision.

**12. For a young person with a modest estate, is a will a better option than a trust?**

For a young person with a modest estate, it is important to get started in the estate planning process. A will is the basic step and is much more reasonable in cost than a living trust. However, if you own substantial real property or real property in more than one state, a trust may be a good addition, even for a younger person.

**13. If you use IRA beneficiary designations, joint tenancy with right of survivorship and other types of non-probate transfers, do you still need a will?**

While a majority of property can be transferred through non-probate methods, your estate will require a will. If you have minor children, your will is used to select their guardian. But your estate invariably will include some personal items and other assets that are subject to the will. You may also receive an inheritance or lose your life in an accident that provides a large judgment to your estate. In all of these cases, it is essential to have a will to transfer your property as you choose, not as the court determines.

**14. Does a living trust protect you in your very senior years?**

With a living trust, you normally serve as the initial trustee and select the successor trustee. Your chosen successor will be able to take over if you are in your very senior years and are ill or otherwise unable to manage your property. This is a great comfort and protection for both you and your property.







# SAMPLE BEQUEST LANGUAGE

**We have provided some basic bequest language to assist you and your attorney.**

## **1. Bequest of a specific dollar amount**

“I hereby give, devise and bequeath [\$Dollars] to Lawrence University of Wisconsin, a non-profit organization located at 711 E. Boldt Way, Appleton, WI 54911, Federal Tax ID: 39-0806297, for Lawrence University's general use and purposes.”

## **2. Bequest of specific personal property**

“I hereby give, devise and bequeath [Description of Property] to Lawrence University of Wisconsin, a non-profit organization located at 711 E. Boldt Way, Appleton, WI 54911, Federal Tax ID: 39-0806297, for Lawrence University's general use and purposes.”

## **3. Bequest of specific real estate**

“I hereby give, devise and bequeath all of the right, title and interest in and to the real estate located at [Address or Description of Property] to Lawrence University of Wisconsin, a non-profit organization located at 711 E. Boldt Way, Appleton, WI 54911, Federal Tax ID: 39-0806297, for Lawrence University's general use and purposes.”

## **4. Bequest of percentage of an estate**

“I hereby give, devise and bequeath [Percentage of Your Estate] to Lawrence University of Wisconsin, a non-profit organization located at 711 E. Boldt Way, Appleton, WI 54911, Federal Tax ID: 39-0806297, for Lawrence University's general use and purposes.”





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