



THE Future PLANNER

Office of Gift Planning

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What to Expect From a Will

Today in America, the last will and testament is by far the most familiar method of final distribution of a person's property.

It's important to realize what a will can do, and what it should not be expected to do. Wills can often be most effective when used in combination with other legal arrangements. A complete estate plan will generally allow you to accomplish your wishes for yourself and heirs within or outside your family.

What your will can do

- Allocate property not distributed via other legal arrangements.
- Set up trusts to manage property for heirs.
- Recommend guardians for your minor children.
- Make a public record of your wishes.
- Make final charitable gifts from your estate.

What your will can't do

- Distribute property such as a home, bank accounts, automobiles, and any other assets

that are owned jointly with another.

- Dispose of life insurance proceeds or retirement plan benefits. Unless your estate is named beneficiary, those proceeds pass outside of the will.
- Manage property during your lifetime. A will takes effect upon the death of its maker.

Joint ownership, life insurance, and legal instruments such as trusts may be used in combination with a will. All can include charitable gifts, often to be made only when funds are not needed by you or your heirs.

With the help of your attorney and other professional advisors, you can decide on the tools that best meet your needs.

INSIDE THIS ISSUE

- Giving "what's left" to your charitable interests
- Understanding living trusts
- The planning process, step by step

Understanding Terms

Administrator—A person appointed by the court to handle an estate when an executor or executrix is not named in the will or is unable to serve.

Bequest—A gift by will or living trust.

Codicil—An addition or amendment to a will. (Charitable bequests can be added to wills via codicils.)

Executor (male) or Executrix (female)—The person you appoint in your will to pay debts and distribute property according to the terms of the will.

Laws of descent and distribution—State laws that direct the distribution of property when a person dies without a valid will or other legal arrangement.

Probate—The judicial process of settling claims against an estate and transferring property passing through a will.

'Pouring Over' With a Will

Even if you have a revocable living trust, joint ownership, or other arrangements to handle the majority of your estate distribution, most experts agree you probably also need a will.

Frequently, a *pour-over* will is used in conjunction with a living trust. The will causes any property not already placed in the trust to "pour over" into the trust at your death and be distributed according to trust provisions.

Personal property such as household items and valuables such as collections, jewelry, and family heirlooms are often not convenient to place in a revocable living trust. In the absence of a will, they will be disposed of according to state laws, as if you had no plan. A pour-over will helps you "tie up loose ends."

Different Paths Lead to Special Gifts

Gifts by will can be a great source of satisfaction and may actually enhance estate plans.

Giving "what's left"

Mr. and Mrs. Smith are providing for their three children equally in their wills. They also wish to name a charitable beneficiary.

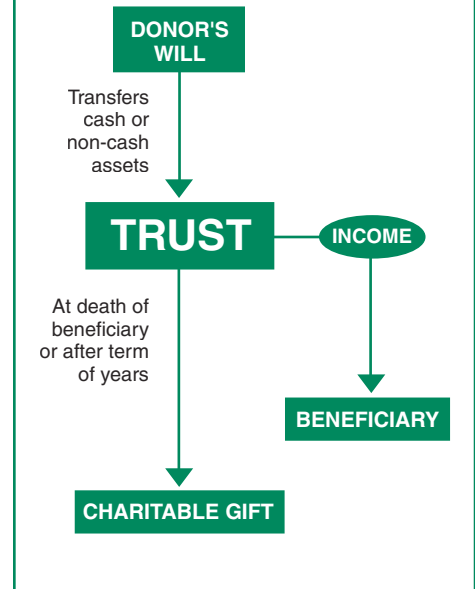
Their decision: an outright bequest of a certain dollar amount or specific property to each child. Then, in case their estate should increase in value unexpectedly, they add a "residual" bequest, stipulating that their children and the charity should share in what remains in their estate. They specify what percent of the residue they wish to give to each child and to charity.

In this way, the Smiths have provided for everyone in their family as they wish. Plus, they arrange for an extra charitable gift in case the funds are available. A federal estate tax deduction is allowed for all charitable bequests.

A double-duty will

Ms. Green provides in her will that a certain share of her property be left to her five nieces and nephews. The rest of her assets will be used to fund a trust to provide income to her sister. At her sister's death, the remaining funds in the trust will become a charitable gift.

A Way to Provide for Others by Will



Because the funds are ultimately destined for charitable use, Ms. Green's estate will receive an estate tax deduction for part of the amount used to support her sister. As a result, her nieces and nephews may receive larger inheritances, and taxes will take less.

By planning, you can provide for your loved ones and further other goals, too. Contact us for more information regarding the different ways you can make a charitable gift through your will. We will be happy to provide you with more information at no obligation to you.

Living Trusts: A Popular Alternative

When experts caution that “your property will be distributed by the state unless you have a will,” they usually add an important qualifier, “or other legal instrument.”

Often referred to as *will substitutes*, such legal arrangements as joint ownership and trusts perform many of the same distribution functions as a will. Revocable living trusts, in particular, have recently grown in popularity.

A revocable living trust is a legal document best prepared by your attorney that:

- Stipulates how property in the trust will be distributed at your death.
- Holds and manages whatever property you wish during your life.
- Provides for management of property should you become incapacitated.
- Avoids probate.
- Is private—not a matter of public record, like a will.

Revocable living trusts take more effort and expense to prepare than do most wills. However, you may prefer a living trust to a will because of its privacy and the ability to arrange for asset management during life.

One key to remember about a living trust: No matter how well-written, its provisions can only affect assets placed in the trust. A pitfall of living trusts can be the failure to *fund*, or place assets in, the trust.

If the trust has not been funded by the time the person making the trust dies, it will be as if he or she had no legal instructions for the distribution. Unless a will has also been made, property will pass according to state laws. (See page 2 for information about the “pour-over” will.)

Charitable dimension

Like a will, a living trust may name individuals and charities alike to receive legacies. Outright gifts as well as gifts arranged through trusts within the trust are possible.

In fact, virtually any type of transfer that can be made in a will can be handled in a living trust.

As you can see, a will is not the only way to assure enactment of your wishes after your lifetime. Your estate planning advisors can help you decide the best ways to accomplish your desires.



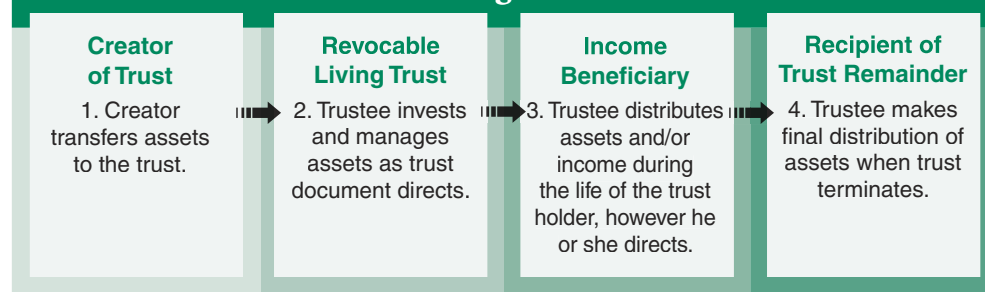
WHAT ABOUT LIVING WILLS?

We’ve talked about wills and living trusts in this newsletter. What about another type of will you may have heard about—a living will?

A living will is a statement about how you wish to be cared for should you become terminally ill and unable to make your wishes known. Living wills usually stipulate that heroic measures not be used to prolong the dying process in the event there is no chance of recovery.

Many hospitals provide sample living wills, and your attorney or physician can also offer more information.

How a Living Trust Works



The Planning Process, Step by Step

*Find out
where to start
your planning.*

Once you've decided to enjoy the peace of mind that comes from making your will and other long-range estate plans, how do you begin? It's easy—taking the first step is the hardest part:

1. Make an appointment with your attorney. If you have no attorney, call your local bar association for recommendations. Or ask trusted friends and/or advisors for names of lawyers they know who specialize in estate planning.

Make sure the attorney you select has estate planning experience in your state.

2. How much will it cost? Most wills cost less than the legal fees you probably paid the last time you bought a home. The investment is a wise one indeed.

Your attorney will estimate his or her charges before you begin the will planning process.

3. Make these lists:

- All property you own and its value, including stocks, personal property, real estate, business interests, retirement plans, etc.
- How your assets are owned (outright, joint ownership, etc.).
- Names and ages of all family members.
- Your wishes for distributing your property.
- Charitable gifts you wish to include.

By collecting information beforehand, you can save time and, possibly, expense.

NND-04

The Regina Coeli Society

Rose Marie Barba, a parishioner at St. Columba Church in Manhattan, was recently welcomed into the Regina Coeli Legacy Society. Ms. Barba has purchased two charitable gift annuities for the benefit of her parish. Some donors have already included their parish or one of the many charitable entities of the New York Archdiocese in their estate plans. If you have, we encourage you to inform us of your plans and allow us to thank you through recognition in The Regina Coeli Society. If you wish, you may be an anonymous member of the Society. Informing us of your plans greatly assists with our long-range planning for gift support. Please note your plans on the enclosed card.



Rose Marie Barba

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We encourage you to consult your own attorney in reference to your estate planning. If you need a referral, please contact our office.
