

# Update Your Will

Fourteen Reasons Your Will May be Obsolete. Fine-Tune Your Estate Plan.  
Bequests with Double-Tax Savings.

## FOURTEEN REASONS WHY YOUR WILL MAY BE OBSOLETE

Is your will a vigorous up-to-date, contemporary planning tool that is ready for duty when the time comes? Or does it belong in the Museum for Antique Documents? Many people have wills that were originally drafted decades ago. Without regular review and updating, such wills can create confusion and needless expense for surviving family and friends.

*Here are 14 events (there may be more) that usually require a modification of your will:*

1. Marriage
2. Birth of a child or grandchild
3. A child reaching adulthood
4. Divorce
5. Death of a spouse
6. Increases in the value of your assets
7. Acquisition of a new assets by gift or inheritance
8. Giving away or selling assets mentioned in your will
9. Death of a beneficiary named in your will
10. Changes in the needs of your beneficiaries
11. An executor or trustee dies, moving or becomes disabled
12. You move to a different state
13. Purchase or sale of real estate
14. You decide to make additional bequests, such as a gift for the future support of our programs.

## REVIEW YOUR WILL ANNUALLY

You should take time at least once a year to review your will to ensure that it is up to date with the current needs and circumstances. New Year's Day or your birthday can be logical "review dates."

Ask your lawyer to look at your will every two to three years, as well. Changes may have occurred in state or federal laws that could affect the taxation or distribution of your estate. To make a small change, you may need only a "codicil." This is simply an amendment that will preserve most of the provisions of your existing will. To make major changes, a complete new will (which specifically revokes all prior wills) may be preferable. Either way, you will need your attorney's help.

If it does turn out that you need a codicil or new will, we hope you'll consider one more satisfying change: a thoughtful bequest for our future. Your attorney will require our correct legal name, which we can furnish to you along with ideas for planning a bequest to a benefit a particular program or purpose that may be most important to you.

## UPDATE YOUR LIVING TRUST, TOO

Many of our friends have revocable living trusts that will distribute most or all of their assets at death. These trusts also need to be reviewed regularly just like a will. People who have living trusts also need wills. Why? To name executors or guardians and to dispose of any assets that have been transferred into their trusts before death. Remember that assets you acquire after setting up a living trust will not avoid probate unless they have been transferred into the trust.

Remember, too that you can make us one of the beneficiaries of the revocable living trust... a thoughtful "update!"

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## Review Other Estate Plans, Too

*When you update your will or living trust, remember to review all the arrangements that affect your beneficiaries:*

### **LIFE INSURANCE**

Are your designated beneficiaries still living? Do you have enough protection for present needs? Does your insurance still serve its original purpose?

### **RETIREMENT ACCOUNTS**

Who will receive benefits from your IRA or other plan after your death? How much will they keep after taxes? Have you considered leaving death benefits to charities?

### **SAVING BONDS**

Did you name a beneficiary or co-owner for your U.S. savings bonds? Is that person still living?

### **BUSINESS INTERESTS**

Have you planned for an orderly transfer of any business interests you own, including payment of death taxes?

### **FEDERAL ESTATE TAX**

Can you estimate, within \$20,000 your current net worth? If your gross estate exceeds \$3,500,000, get some help with estate tax planning.

### **HEALTH CARE DECISIONS**

Do you have a living will or health care power of attorney to assist your doctor and family?

### **DISABILITY**

Have you established a trust or general durable power of attorney that names someone to make financial decisions during a time of incapacity?

### **SPECIAL BENEFICIARIES**

Have you set up trusts or other arrangements for family members with special needs?

### **LEAVE US YOUR "TAX-CURSED" ASSETS**

As you review your estate plans, you may come across assets that will generate heavy tax burdens for your family. Such items may be subject to both income taxes and "death taxes", leaving heirs with only a fraction of their inheritance.

*Examples include:*

- U.S. savings bonds
- Accounts receivable of a doctor or proprietor
- Renewal commissions of insurance agents
- Royalties under a patent license
- Payments due you under installment sale arrangements
- IRA benefits and deferred compensation

As a tax-exempt organization, we would keep every dollar of such "tax-cursed property." Furthermore, leaving these items to us will create estate tax charitable deductions that save even more taxes for your heirs. Call us if you have any questions on planning any kind of gift.

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