

GENERATIONS

PLANNING FOR THE FUTURE

A Publication of the Monadnock United Way • July, 2004

Consider
an investment
in the future.
Charitable gifts
can enhance
your personal
long-range plans.
The Monadnock
United Way
is prepared
to talk with you
about how you
can improve
your financial future
while benefiting
your community.

Identify your objectives;
select practical approaches
to achieve them.

Benefits of Estate Planning

The term “estate planning” means different things to different people. And it should, because effective estate plans reflect the uniqueness of those who complete them. In its broadest sense, estate planning includes the process of accumulating, managing, and distributing property over the course of a lifetime. This issue of *Generations* presents a practical overview of planning tools and how they can be used to accomplish a variety of goals.

Regardless of whether you are considering your estate plans for the first time or are reviewing ones you already have in place, satisfaction comes from identifying your objectives and taking practical approaches to achieve them.

Knowing where to begin, what to look for, and what you might expect can help turn this challenging task into effective plans.

A Practical Approach to Planning

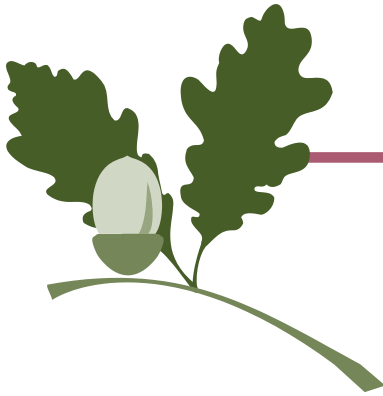
An organized approach to estate planning can bring order to what may otherwise seem to be an overwhelming task.

As a place to begin, focus your planning on four elements: the people in your life, the property you own, your plans for the future, and the persons who will assist you in achieving your goals.

People: List the individuals for whom you are responsible, beginning with yourself and continuing with your spouse, children, parents and others for whom you bear economic responsibility.

Property: Make a list of all the assets you own or expect to own in the future. Beside each item, place a conservative estimate of its current value and the original cost. Also make a list of sources of income and any outstanding liabilities, such as mortgages and other debts.

Plans: Think about what you wish to achieve financially over the remainder of your life.



Do you anticipate having adequate income to support yourself and your dependents? Who would you like to receive your property when you no longer need it?

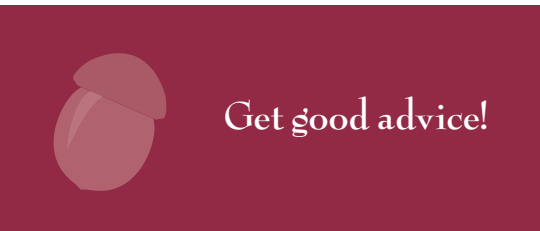
Would you like your heirs to receive property, an income, or both? At what ages? Will a trust or other vehicle be necessary in order to carry out your wishes?

Planners: To make sure your estate plan performs as you intend, the assistance of one or more advisors will normally be necessary. You may need to call on your attorney, accountant, or a bank trust officer, for example.

Make a list of advisors you rely on and consider choosing the one on whom you place the greatest trust to coordinate the process.

Your Estate Plan: After you have given due consideration to the people in your life, your property, your plans, and the planners you wish to involve, you are ready to put it all into motion.

Your advisors can help you explore the advantages of the many estate planning tools that are available and find those that will accomplish your personal goals.



The Charitable Dimension

Many of us enjoy making gifts to further causes in which we believe. But, out of necessity, our own economic security must come first. For that reason, you may wish to consider making charitable gifts from assets that remain when you no longer need them. This might be accomplished through a bequest in your will, a remainder interest in a revocable living trust, a beneficiary designation of life insurance or retirement plan proceeds, or a number of other convenient vehicles.

Some people are surprised to learn that through effective estate planning, it can be possible to select a gift that balances your needs, your interest in United Way, and is best suited to your personal circumstances and wishes. 🌿

	\$100		\$5,000
	200		10,000
If Your	300	You Can	15,000
Annual Gifts	500	Perpetuate Them	25,000
Total	1,000	with a Bequest of at Least	50,000
	2,000		100,000
	5,000		250,000

*A 2% annual return on your bequest, as represented in these tables, would ensure that you can always continue your thoughtful annual contributions.
Source: R&R Newkirk *Your 2004 Personal Planning Guide*

Neither the author, the publisher, nor this organization is engaged in rendering legal or tax advisory service. For advice or assistance in specific cases, the services of an attorney or other professional advisor should be obtained. The purpose of this publication is to provide accurate and authoritative information of a general character only. Watch for tax revisions. State laws govern wills, trusts, and charitable gifts made in a contractual agreement. Advice from legal counsel should be sought when considering these types of gifts.

Rate Your Estate Plan

Here is a quick way to rate the effectiveness of your current estate plan. Add up your score and rate yourself on the plans you have made for disposing of your estate and protecting your beneficiaries' security.

Will or Living Trust. Score ten points if you have a will or living trust. Persons who have revocable living trusts still need wills (to dispose of assets not placed in trust and to name executors or guardians). Add five points if you have stored your will or trust document in a fire safe place and notified responsible people of the location. Add five points if you review your will or trust every year to ensure it remains up to date.

Life Insurance. Do you have enough protection for your beneficiaries? Does your life insurance still serve its original purpose? Score five points if you have reviewed your life insurance coverage in the last year.

Health Care Decisions. Give yourself five points if you have a living will or health care power of attorney (arrangements for making health care decisions if you are incapacitated).

Disability. Add five points if you have established a trust or general durable power of attorney that allows others to make financial decisions for you if you become incapacitated.

Special Beneficiaries. Subtract five points if you have not established trusts or other arrangements to provide for beneficiaries (if any) who need special care.

Business Interests. Subtract five points if you have not arranged for an orderly transfer of business interests (if any) at death, including payment of "death taxes."

Net Worth. Add five points if you can estimate, within \$20,000, your current net worth. If your estate is over \$1.5 million, subtract five points if you have not made plans for minimizing federal estate tax.

Worthwhile Causes. Give yourself two bonus points if you have arranged through your will, trust or life insurance to continue your support for worthwhile causes and institutions after death.



Score: _____

Score: _____

Score: _____

Score: _____

Score: _____

Score: _____

Score: _____

Score: _____

Total Score: _____

35-42, excellent
30-34, good
25-29, fair
Less than 25

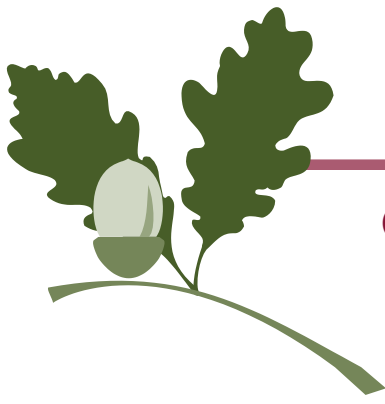
(or if you had to subtract points), see an estate planning adviser at an early opportunity!

Federal Gift and Estate Tax Rates

Taxable Gift or Estate	Tentative Tax is
\$1,000,000	\$345,800 plus 41% of excess
\$1,250,000	\$448,300 plus 43% of excess
\$1,500,000	\$555,800 plus 45% of excess
\$2,000,000	\$780,800 plus 48% of excess

A \$345,800 credit eliminates gift tax on gifts of \$1 million or less.
 A \$555,800 credit eliminates estate tax on estates of \$1.5 million or less.

Source: R&R Newkirk *Your 2004 Personal Planning Guide*



Community Focus: Brown Bag Workshops

The Monadnock United Way's role goes far beyond fund raising. We know that people like you really want to make a difference in your community. Our focus on community action results in initiatives and collaboration with people, agencies and business partners to better shape our community for the future. Perhaps one of the best current examples is the ongoing series of Brown Bag Workshops coordinated by the Monadnock United Way.

The concept is a simple one: give area nonprofit staff access to useful information taught by knowledgeable presenters at a convenient time and location. The Brown Bag Workshops are the result. A dozen area professionals have willingly shared their expertise free-of-charge with the local nonprofit community, presenting topics ranging from communications development and volunteer management to survey design and grant writing. Many area businesses and organizations have opened their doors to the workshops, playing host to the popular series. Now in its third year, the Brown Bag Workshops have grown steadily, with eight sessions on the schedule this year. Attendance averages between 20 - 30 participants. Positive feedback confirms the series has provided timely and useful training to nonprofit organizations, encouraging regional networking and collaborative problem solving. 🍁



Thank You for Your Support
of the Monadnock United Way.

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