



GENERATIONS

PLANNING FOR THE FUTURE

A Publication of the Monadnock United Way • July, 2005

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.

Important Basic Documents for Your Estate Plan

Most people know that it is important to have a will and an estate plan – even if your “estate” is very small – consisting only of money in the bank, your home, your car and/or life insurance. In order to finalize your estate plan, you will need to work with an attorney – one who specializes in wills and estate planning – who can help you formulate your intentions and make sure that your estate plan is designed to carry out your wishes and provide for your loved ones and those charitable organizations you want to support.

Each state has its own rules regarding estate planning that will determine how your estate plan is drafted. An estate plan, however, will usually consist of the following documents: A will, a living trust, a durable power of attorney, a living will, and a health care proxy.

Will

Your will is a written document, executed in accordance with the formalities required by state law (you must sign your will in front of witnesses, for example) to carry out your wishes at death. Under your will, you can name your executor, name guardians of minor children, do important tax planning for your family and, most important, name the individuals and charitable organizations that will receive your assets after your lifetime. Your attorney will draft your will according to your wishes, and your original will should usually be kept in your attorney’s office for safekeeping. You should also keep a copy in your safe deposit box and make sure to let your executor (and family members) know where it is.

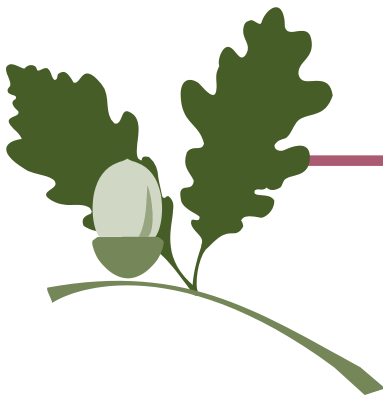
Checklist for Meeting with Your Attorney

Inventory assets you own: Cash in savings and checking accounts; stocks and bonds, mutual funds, money market funds and CDs; real estate, automobiles, jewelry, artwork and other valuables; life insurance policies on your life; IRA and other retirement plan assets; interest in business, partnership interests, money owed to you by other people.

How are your assets owned? Are they in your own name or jointly with someone else? Do you live in a community property state? Be sure to list any co-owners of assets on the above list.



Review your assets and liabilities.



Choose an executor wisely.

Where are your assets located? Are your stock certificates held in a brokerage account? List where and who manages it; Are your stock certificates in a safe deposit box? If so, where? Where is your real estate located? Where do you keep your jewelry? Where do you keep your insurance policies and other important documents?

What is the value of your assets and liabilities? This includes everything that you own – no matter where these assets are located. Provide the following information: Account numbers for savings, checking and brokerage accounts; who is the manager of your stock portfolio (name, address, phone, email and account number)? List designated beneficiaries of your IRA and other retirement plans, including names, addresses and relationship to you; List the face and cash value of any insurance policies on your life. List the name of the insurance company, its address and the policy number. Include beneficiaries listed and their relationship to you. Are there outstanding loans against your policy? How much? List any other debts and obligations you owe: mortgage on real estate or loan on a car, credit card debt, college loans. Write down specifics including the name and address of who is owed, amount of debt and payment schedules.

Whom to include in your plans: Think about where you would like your assets to go after your lifetime. Make a list of those family members and friends you want to remember in your plans. Include names, addresses and telephone numbers. List charitable organizations you want to benefit after your lifetime – church, hospital, school, arts organization, service agencies, etc.

Who do you want to be the *executor* (or personal representative) of your estate? The choice of your executor is a very important one since that person (or entity) will be the manager of your estate. He or she will have the responsibility to file your will for probate (the legal process of verifying your will), collect and manage all of your assets, pay all of your bills and funeral expenses, pay any estate or inheritance taxes and finally distribute your assets to the heirs that you have designated. This person should be someone you trust! Be sure to talk with this person to make sure that he or she is willing to serve as your executor.

If you have minor children or other family with special needs, you may want to appoint a *guardian* to look after their affairs. You will want to name a separate person to handle their financial interests. 🍁

Living Trust

You may wish to set up a living trust to protect your assets during your lifetime and to direct where the trust assets go later. To set up the trust, you must transfer assets from your own name to the name of the trustee, who will then be responsible for the management and investment of those assets, relieving you of the daily management responsibilities. The trustee will follow your instructions,

outlined in the trust agreement, about how the income and principal are to be distributed during your lifetime and will also transfer the trust assets to the beneficiaries you name after your lifetime. The choice of a trustee is also important, since that person will need to manage your assets for the benefit of you and your family. Your trustee will normally keep the original trust agreement, but you should also keep a copy in a safe place – and notify family members where it is. 🍁

Durable Power of Attorney

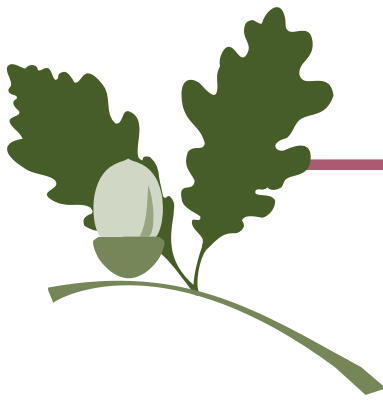
A durable power of attorney is a written instrument authorizing another person to make decisions for you – usually in business matters – when you are unable to make those decisions for yourself. A durable power of attorney remains effective if you should become ill or incapacitated, but ends at death. You should keep a copy of the power of attorney and the address of the person holding the power with your other estate planning records. 🍁

When should you update a will?

How Much Do You Know About Wills?

- 1. What percentage of Americans have current wills?**
A. 40% B. 80% C. 55% D. 30%
- 2. If you die without a will, who will decide where your assets will go... and how?**
A. Your spouse, based on a legal formula
B. Your closest living blood relative, based on a legal formula
C. The state where you legally reside, based on a legal formula
D. Your spouse, based on a lawyer's review of your assets
- 3. How can you update your will if there are minor changes?**
A. By marking any changes in your will and initialing them
B. You need to create a new will
C. By asking your attorney to prepare a codicil
D. You can leave your will as it is because joint property will simply go to the other person
- 4. Why include a specific gift distribution list in your will?**
A. To abide by the laws of your place of residence
B. To make sure there is no confusion or wrangling among heirs
C. To save your attorney time when drafting your will
D. To fulfill the legal requirements of drafting a will
- 5. A personal and domicile identification article is important to include in your will because property in all states have similar consequences. True or False**
- 6. An outdated will is as bad as not having a will at all. True or False**
- 7. Why do some people not take the time to create current wills?**
A. They may be afraid to address their mortality.
B. They may not think their estates are large enough.
C. They may not want to take the time or spend the money.
D. All of the above
- 8. If you have a will, you...**
A. can direct the division of your property only according to certain rules.
B. cannot make special financial arrangements for family members who are minors, disabled or unfamiliar with money management.
C. can minimize the taxes on your estate by creating trusts.
D. cannot provide support for your favorite charitable organizations.
- 9. Which change should trigger a will update?**
A. Family situation
B. A new domicile
C. Assets acquired or disposed of
D. All of the above
- 10. Whether or not you have a will, much of your property may pass in other ways. For example, joint property generally goes to the other owner and property with a named beneficiary goes directly to that person. These alternative arrangements are an adequate substitute for a will. True or False**

ANSWERS: 1. A; 2. C; 3. C; 4. B; 5. False. It is because property in different states and in more that one state have different tax consequences; 6. True. Many things can change to make the terms of an old will very different from current intentions; 7. D; 8. C; 9. D; 10. False. Chances are that everything you own is not covered.



Living Will

A living will is a legal document that expresses your wishes about prolonging your life by artificial or extraordinary measures in the event of serious illness. Although your attorney will draft your living will, you should discuss its provisions with your doctor to make sure that he or she feels comfortable about carrying out its directions. Your doctor should have a copy of your living will with your medical records, and you should keep a copy with your other estate planning records. 🍁

Health Care Proxy

A health care proxy is a written document that names the person you want to make medical decisions for you in the event that you are unable to make them for yourself. In essence, a health care proxy is a power of attorney for making health care decisions. Choose the person who will hold your health care proxy carefully since he or she will be making critical decisions for your care if you are unable to do so. Be sure to keep a copy of your health care proxy with your living will and other important estate planning records. 🍁

Tell family members
where to find
your important
documents.

Thank You for Your Support
of the Monadnock United Way.



Monadnock United Way
23 Center Street
Keene, NH 03431
(603) 352-4209



Nonprofit Organization
US POSTAGE PAID
KEENE, NH
PERMIT NO. 76