



Grace Global Alliance

An Independent Association of Christian Churches & Ministers

Estate Planning An Overview Tax Year 2017

Prepared for:

Grace Global Alliance
Ministers & Churches

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The Need for Estate Planning

At a person's demise there are certain typical problems which, if not planned for, create a burden on those who are left behind.

Proper estate planning can eliminate or reduce these problems.

Financial Burdens

- **Estate settlement costs are too high:** These costs consist primarily of probate fees and death taxes.
 - **Probate fees:** These are generally paid to the executor of the estate and the attorney who assists with the probate.
 - **Death taxes:** Estates that exceed certain amounts may be subject to both state and federal death taxes.
- **Estate assets are improperly arranged:**
 - **Liquidity:** There are not enough liquid (cash type) assets to pay estate settlement costs.
 - **Cash flow:** There is not enough income to care for loved ones left behind, e.g., spouse and minor children.

Transfer of Assets

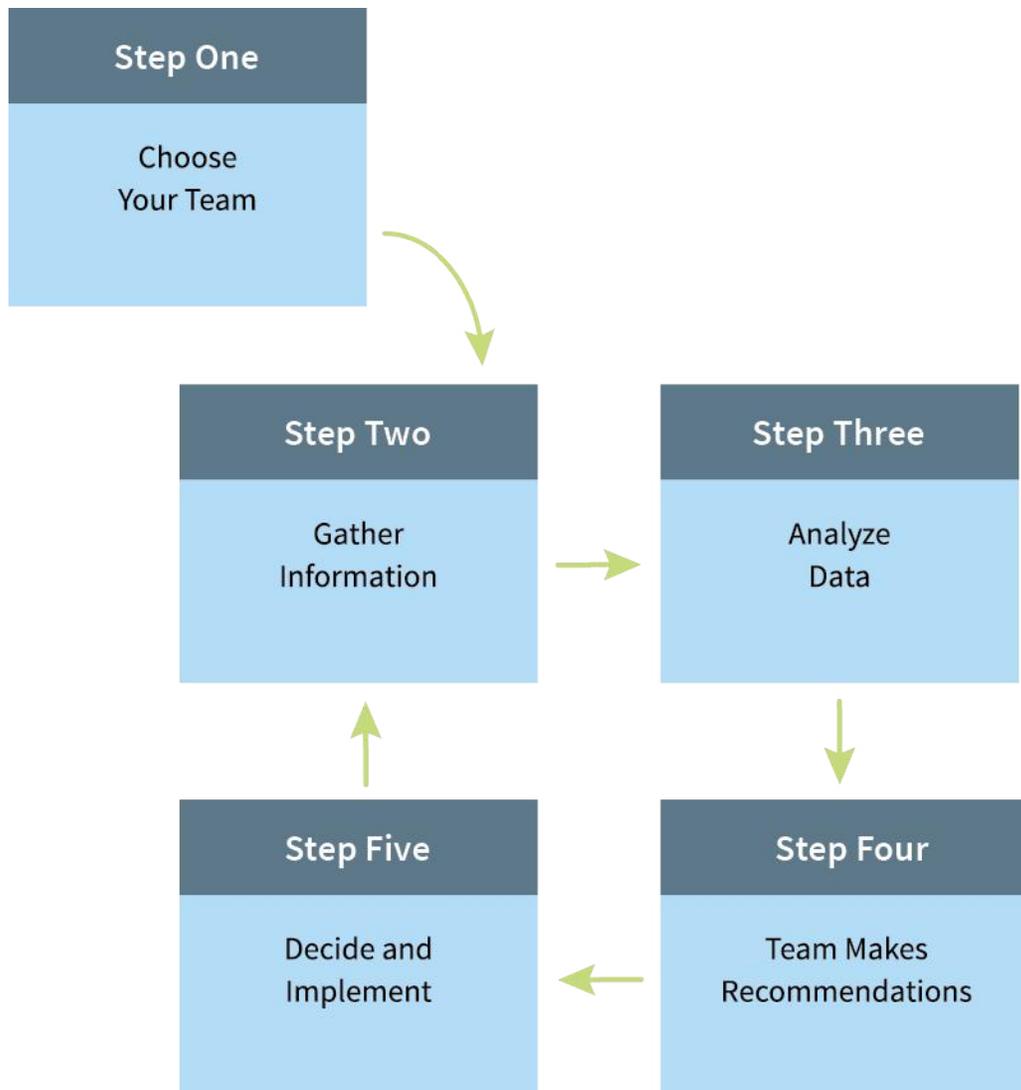
- Estate assets may be subject to probate delays and expense.
- Assets transferred to minors may be in cumbersome guardianship accounts until they attain age 18 (or 21 in some states) and are then distributed outright to the children. A court supervised guardianship may be required.
- Additional death taxes may be paid because there was no pre-death planning.
- Without planning, estate assets may not pass to the intended heirs.

Care of Minors

- **Guardians:** Parents can nominate a guardian for their minor children in a will.
- **Asset management:** If the wrong persons are chosen to manage the assets left for the minors, the assets may be lost or unnecessarily reduced.

Basic Steps in the Estate Planning Process

There are basic steps to take in planning your estate. A typical program would be as follows:



Basic Steps in the Estate Planning Process

The Basic Steps

- **Choose your team:** Choose, as needed, your attorney, tax professional, insurance professional, trust officer, planned-giving specialist or financial advisor.
- **Gather information:** A completed fact finder serves to list your goals and objectives, shows names, ages, assets and liabilities, desired heirs; goals and objectives.
- **Analyze data:** Pretend death occurred yesterday. What happens to your estate, your business, and your family? What if you die 10 years from now? Your team analyzes the data to provide you with the results.
- **Team makes recommendations:** Review the suggestions made by your team to overcome current plan shortcomings.
- **Decide and implement:** Select the plan that best fits your needs and goals. Sign essential documents (e.g. wills and trusts), purchase needed insurance, and change investments as necessary.
- **Periodic review:** Starting the cycle over. Because the world – and your assets – are constantly changing, many advisors recommend an annual planning review.

Avoiding Probate

The probating of a will permits a court of law to supervise the transfer of assets from the decedent to his heirs. A typical probate lasts about one year, with six months generally being a minimum time if everything proceeds according to schedule.

Because of high attorney's fees, executor's commissions and court costs, and the often-unwanted publicity and the time delay involved in probating an estate, many people attempt to avoid probate administration. Some of the methods of avoidance are listed below.

Joint Tenancy

Joint tenancy is a form of title arrangement, usually between spouses. The joint tenancy is dissolved after one tenant dies, with title passing automatically to the surviving joint tenant. There may be income tax disadvantages to this arrangement. Creditors of either joint tenant can attach the asset. It may also frustrate estate tax savings which are anticipated from carefully drafted wills and trusts.

Community Property with Rights of Survivorship

Title passes automatically to the surviving spouse with no income tax disadvantages as with joint tenancy.

Totten Trust

A Totten trust is a vehicle for passing savings accounts to heirs. Passbook accounts are held in trust for another. Typical wording would be: "John Doe, in trust for Johnny Doe."

Life Insurance

The proceeds of life insurance are rarely subject to probate administration, unless the insured's estate is the beneficiary or all of the named beneficiaries pre-decease the insured.

Lifetime Gifts

Even gifts made shortly prior to death will avoid probate. However, they may be brought back into the estate for death tax purposes. Also, gifts carry the donor's basis to the donee, whereas appreciated assets in the decedent's estate will generally get a new or stepped-up basis.

Revocable Living Trust

The revocable living trust is an effective method of avoiding probate. It has the additional advantage of providing management of the funds for the heirs for some time after the decedent's demise. Also, in the event the person setting up the living trust (also called an inter-vivos trust) becomes mentally incompetent or otherwise incapacitated, a successor trustee can take over management of the estate. Generally, this type of trust will not produce any estate tax savings.

Transfer on Death (TOD)

Many states have adopted the provisions of the Uniform TOD Security Registration Act, which permits securities and securities accounts to be registered so that ownership automatically passes to named beneficiaries at the death of the owner(s).

The Marital Deduction

For both gift tax (IRC Sec. 2523) and estate tax (IRC Sec. 2056) purposes, a deduction is allowed for the value of gifts between spouses.

The deduction is unlimited; i.e., 100% of qualified transfers such as the following:

- **Outright gifts or bequests.**
- **Gifts or bequests in trust.**
 - **General power of appointment trust:** The spouse has the right to all income plus the right to determine during life and/or at death who receives the remaining principal.
 - **Revocable trust:**¹ Spouse has right to all income and to revoke or amend the trust at any time in his or her favor.
 - **Estate trust:** Income accumulates during surviving spouse's lifetime. The spouse has the right (through the use of a will) to determine at death who gets the accumulated income and principal.
 - **Qualified terminable interest property (QTIP) trust:** Spouse has the right to all income during life. No one else can benefit from the principal, but the donor (or decedent) can direct who will get the principal at the surviving spouse's later demise.
 - **Qualified domestic trust:** If the surviving spouse is not a U.S. citizen, the marital deduction will not be allowed unless the assets pass to a qualified domestic trust which meets four conditions:
 - The trust requires at least one U.S. trustee (unless waived by the IRS) who approves all distributions.
 - Spouse must have an interest which would otherwise qualify for the marital deduction if he or she were a citizen.
 - Must meet Treasury requirements designed to ensure collection of tax at surviving spouse's demise.

¹At death, the trust becomes irrevocable. The surviving spouse has as much (or as little) flexibility as provided for by the grantor.

The Marital Deduction

- Executor makes irrevocable election on federal estate tax return to defer the tax.

A noncitizen spouse who becomes a U.S. citizen before the estate tax return is filed and was a resident from the decedent's death through the filing of the return is eligible for the marital deduction.

Any distributions of principal will be taxed at the same rate as if they were included in the decedent's estate.

Advantages of a Will

Avoids Distribution Under the Law of Intestacy

The state intestacy law will pass property to certain relatives of the decedent. These laws have been drafted to be fair in the average situation, but most persons would like to choose who will receive their estate when they die.

Permits the Nomination of a Guardian for Minor Children

Without a nomination in a will, the court will appoint a guardian of the person for minor children. Relatives are not always the best choice for a guardian and consideration must be given to the financial situation of the potential guardian, as well as his or her health, age, willingness and ability to care for your children.

Waiver of the Probate Bond

In the absence of a will, the court will require a fiduciary bond to be posted by the administrator (executor) of the estate to guarantee the replacement of any funds embezzled or diverted by him. Since this additional cost must be borne by the estate, the estate owner may want to waive the bond requirement in the will. Great care should be used in selecting an executor.

Choosing the Executor

The duties of the executor of an estate can be very time consuming and frustrating, especially to a spouse who has just lost his or her loved one. In the will, a qualified individual and/or a corporate trust company can be chosen to handle these responsibilities.

Making Specific Bequests to Individuals

An individual may bequeath specific items of jewelry, heirlooms and furniture, or make cash bequests, and be certain that they will pass to the proper persons. Without a will, written or oral instructions may not be followed.

Advantages of a Will

Sale of Assets During the Administration of Probate

Additional expense to the estate can generally be avoided by permitting the sale of assets without the executor having to publish a notice of sale in the newspaper. A sale of assets may be necessary in order to pay death taxes and expenses of probate.

Authorizing the Continuation of a Business

Unless the will authorizes the continuation of a business, the executor must operate it at his or her own risk. Many executors may elect not to administer the estate unless this risk is borne by the estate.

Deferring Distributions to Minors

When parents die leaving minor children, each child's share of the estate must be held in a guardianship account until he or she attains the age of 18 (or 21), at which time the entire remaining share is distributed outright. Trust provisions can be placed in the will to defer these distributions until a more mature age.

Peace of Mind

Although this advantage cannot be measured in dollars and cents, when the estate is in order an emotional load is lifted from the person who is concerned for his or her family's well being.

No Will? No Problem!

State Drawn Will in Common Law States

Last Will of Paul Procrastinator

First: I direct the Probate Judge to appoint anyone of his choosing to administer all property in my name and distribute it under the terms of this will.

Second: I direct that all of my assets be converted to cash, all of my debts paid, including taxes, probate fees, administrative fees, and attorney's fee.

Third: I direct that one-half (if I am survived by one child) or one-third (if I am survived by two or more children) of my separate property, be paid to my spouse.

Fourth: I direct that the balance of my estate be distributed outright, and in cash, in equal shares to my children. If any child be a minor, I direct that his share be held by a guardian for his benefit. The guardian may be anyone of the court's choosing.

Fifth: When each of my minor children attains age 18, I direct that his share be then paid to him outright, regardless of his financial or emotional maturity.

Sixth: In the event that my spouse does not survive me, I direct that his/her share be added to the children's shares created under Articles Fourth and Fifth

Seventh: If none of my children survive me but my spouse does, I direct that the remainder under Article Third be distributed outright in the following manner:

- One-half of my separate property to my spouse.
- The balance to my parents, if living, otherwise to my brothers and sisters or their heirs.

Eighth: If I am not survived by my spouse, children or parents, I direct the Probate Court to seek out my closest blood relatives and divide my estate among them in a way which gives an equal share to my closest relatives or their descendants.

Ninth: If no relatives are located, I direct that all of my property go to the State.



No Will? No Problem!

State Drawn Will in Community Property States

Last Will of Paul Procrastinator

First: I direct the Probate Judge to appoint anyone of his choosing to administer all property in my name and distribute it under the terms of this will.

Second: I direct that all of my assets be converted to cash, all of my debts paid, including taxes, probate fees, administrative fees, and attorney's fee.

Third: I direct that all our community property and one-half (if I am survived by one child) or one-third (if I am survived by two or more children) of my separate property, be paid to my spouse.

Fourth: I direct that the balance of my estate be distributed outright, and in cash, in equal shares to my children. If any child be a minor, I direct that his share be held by a guardian for his benefit. The guardian may be anyone of the court's choosing.

Fifth: When each of my minor children attains age 18, I direct that his share be then paid to him outright, regardless of his financial or emotional maturity.

Sixth: In the event that my spouse does not survive me, I direct that his/her share be added to the children's shares created under Articles Fourth and Fifth.

Seventh: If none of my children survive me but my spouse does, I direct that the remainder under Article Third be distributed outright in the following manner:

- One-half of my separate property and all of our community property to my spouse.
- The balance to my parents, if living, otherwise to my brothers and sisters or their heirs.

Eighth: If I am not survived by my spouse, children or parents, I direct the Probate Court to seek out my closest blood relatives and divide my estate among them in a way which gives an equal share to my closest relatives or their descendants.

Ninth: If no relatives are located, I direct that all of my property go to the State.

Note: The community property states are Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Texas, Washington, and Wisconsin. In Alaska, spouses may opt-in to a community property arrangement.



Types of Trusts and Their Tax Treatment

Type of Trust	Income Tax	Estate Tax	Gift Tax
Testamentary trust: Created in the trustor's will and takes effect only at his death. Can be used to avoid tax on a portion of the first spouse's share of the estate, e.g., the bypass trust.	Income which is distributed is taxed to the beneficiary; if income is accumulated, it is taxed to the trust until later distributed to the beneficiary.	Trust assets are included in decedent's estate.	No gift tax.
Revocable living trust: Created while the trustor is still living but can be revoked or amended during his or her lifetime. Assets in the trust will avoid probate expenses, delay and publicity.	No income tax savings while trustor lives. After death, same as testamentary trust for income tax purposes.	Trust assets are included in decedent's gross estate.	No gift tax. Trust is revocable.
Irrevocable life insurance trust: Created while the trustor is still living and cannot be revoked by the trustor. Used to reduce the size of the estate. Works best for removing insurance from the estates of both spouses. Some are "funded," and others are "unfunded" or just own a life insurance policy. ¹	Same as testamentary trust above, except if income from a funded trust is accumulated, it is taxable to the trustor.	Usually excluded unless gift of policy was within three years prior to insured's death.	There may be a gift tax liability, but gifts to the trust can usually be made to qualify for the \$14,000 ² annual gift tax exclusion.
Sec. 2503(c) minor's trust: A type of irrevocable trust for minors which qualifies for the annual gift tax exclusion even though the gifts to it are "future interest." ³	Same as testamentary trust above.	Usually excluded unless transfer was within three years prior to death.	There may be a gift tax liability, but gifts to the trust can usually be made to qualify for the \$14,000 ² annual gift tax exclusion.

Note: If a child subject to the "kiddie tax" has unearned income in excess of \$2,100 for 2017 (adjusted annually for inflation), the excess will be taxed at the parents' top marginal income tax bracket. State or local law may vary.

¹ Cash contributions may be made to the trust, to be used by the trustee to make premium payments on the life insurance policy. Careful drafting of the trust document is required to qualify the cash gifts for the annual gift tax exclusion.

² The annual gift tax exclusion (\$14,000 in 2017) is indexed for inflation in increments of \$1,000.

³ Under federal law, the minor must become the owner of the assets no later than age 21.

Revocable Living Trust

Inter-vivos Trusts

A trust is created when one person (the trustor or grantor) transfers to another person or a corporation (the trustee) a property interest to be held for the benefit of himself or others (the beneficiaries).

If the trust is created during the trustor's lifetime, rather than in his will, it is an inter-vivos or living trust. When the trustor retains the right to dissolve the trust arrangement, it is a revocable living trust.



What Are Some of the Advantages?

- Assets in the trust are not subject to probate administration. This usually saves executor's and attorney's fees. It also grants more privacy as to who gets the trust assets, when they receive them and how much they get.
- Professional management is available if the trustor becomes incompetent, disabled or wants to be free of the worries of management.
- Should the trustor (also usually the original trustee) die, or be unable to serve, a successor trustee can step in and manage the trust assets without delay or red tape.
- Annual court accountings, with their legal fees, are not required, although some states do not require annual accountings for testamentary trusts (will trusts), either.
- The trustee can collect life insurance proceeds immediately after the trustor dies and can (if permitted under the trust document) use the proceeds to care for family members without any need for court approval.

What Are Some of the Disadvantages?

- Creditors may not be cut off as quickly as they are in probated estates, e.g., four months in some states.
- A little more effort is required to transfer assets into the trust and records should be kept of transactions by the trustee.
- The attorney usually charges a higher fee to establish a living trust, as opposed to a will with a testamentary trust. There may also be ongoing administrative charges.

Note: Assets in a revocable living trust are included in one's gross estate for federal estate tax purposes.

Bypass Trust

Under federal law, each individual has an “applicable exclusion amount,” a specified dollar amount of asset protected from federal estate tax. Between spouses, however, a person can pass any size estate to his or her U.S. citizen spouse without concern for a federal estate tax because of the “unlimited marital deduction.” For many married couples, an “I love you” will simply leave everything to the surviving spouse.

Before 2011, however, when the surviving spouse later died, and the combined estate passed to the ultimate heirs, there was only the survivor’s single applicable exclusion amount to shield the estate from federal estate tax. Using the unlimited marital deduction at the first death, in effect, wasted the applicable exclusion amount of the first-to-die.

To preserve the applicable exclusion amount of the first-to-die, many married couples used a “bypass” trust (also called an “exemption” or “credit shelter” trust). At the first death, the bypass trust would be funded with assets up to the applicable exclusion amount in effect for that year. A bypass trust is not subject to federal estate tax at either the first or second death, even though the assets in the trust may appreciate greatly in value.

A bypass trust is also useful in that it can be written to give the surviving spouse access to the income from the trust for life, as well as access to the trust principal, in extreme situations, for his or her health, education, support, and maintenance.

2010 Tax Act

The 2010 Tax Relief Act brought a number of significant changes to federal estate tax law. One provision increased the applicable exclusion amount to \$5,000,000 in 2011 and to \$5,120,000 in 2012. Another section provided that any applicable exclusion amount remaining unused at the death of the first-to-die could be held over for use by the survivor, in addition to the survivor’s own applicable exclusion amount.

A More Permanent Estate Planning Environment

The American Taxpayer Relief Act of 2012 made permanent a number of the provisions found in the 2010 Tax Relief Act, including the increased applicable exclusion amount (adjusted for inflation to \$5,490,000 in 2017) and the carryover of any unused spousal applicable exclusion amount. In 2017, the combined effect of these two changes is to effectively protect from federal estate tax up to \$10,980,000 in assets with, or without, a bypass trust.

With such a large dollar amount protected from federal estate tax, many estate owners will find that a bypass trust is no longer necessary, at least from a federal estate tax perspective. Those with estates large enough to be subject to federal estate tax will likely benefit from continuing to use bypass trusts as a part of their estate plan. All estate owners are strongly advised to consult with appropriate financial, tax, and legal professionals as to the steps to take to best benefit from this changed estate planning environment.

Special Needs Trust

To preserve the public assistance benefits of a person with a disability, such as a child with a developmental disability, etc., many people use a special needs trust.

Medicaid, which pays medical expenses for the poor, has limits on the amount of assets that a recipient can own or can earn during each year that welfare benefits are paid.



To qualify for the program prior to spending down one's estate, some individuals attempt to give their assets to relatives or invest them into an exempt form, such as a personal residence in which the spouse resides. Single persons sometimes transfer their residence to their children and retain the right to live in the house for the remainder of their lifetime.

The law denies persons eligibility for Medicaid benefits if assets were transferred less than 60 months before applying for benefits. This is a complicated, changing area of the law.

Trusts for Children with Disabilities

A parent of a child with a disability should review each asset to see whether or not it will pass to that child at time of the parent's death. For example, life insurance, annuities, IRAs, pension benefits, joint bank accounts, etc., often pass to persons other than those named in one's will or trust. If such assets pass to a disabled child, however, he or she may lose current government benefits. One must also decide whether or not to disinherit a child with a disability or use a special-needs type of trust.

Special needs trusts are generally established by the parents or other relatives of the disabled child. The trustee should have absolute discretion over how to expend the trust funds for the benefit of the disabled child:

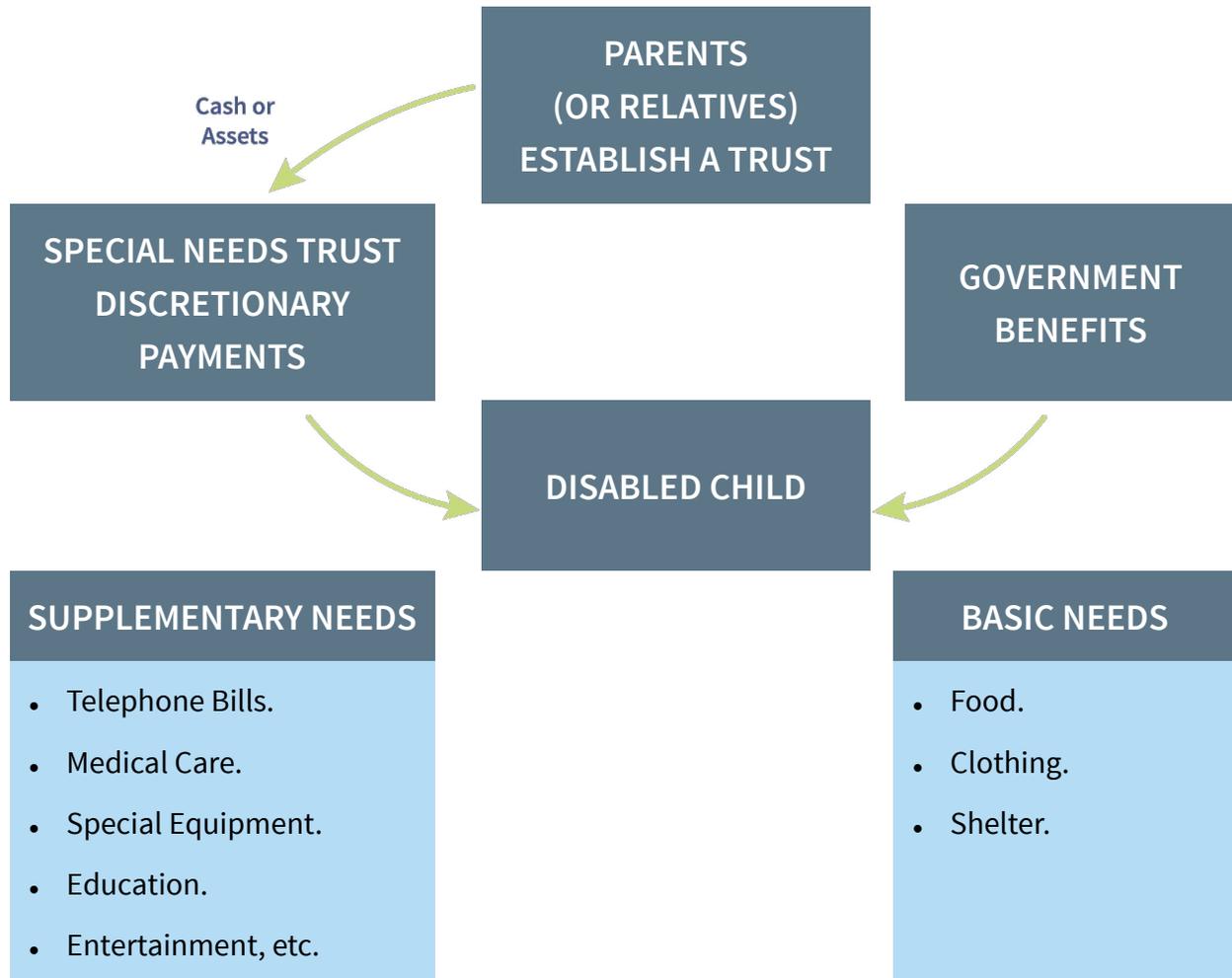
- **Government benefits:** Government benefits should be used to meet basic needs such as food, clothing, and shelter.
- **Special needs trust:** The funds from the trust should be used for supplementary needs such as utilities, medical care, special equipment, education, job training or entertainment.

Seek Professional Guidance

Since the laws in this area are very complex and vary from state to state, experienced, knowledgeable legal counsel should be retained to draft the appropriate documents.

How a Special Needs Trust Works

Special needs trusts allow family members to provide some benefits to a disabled child without causing him or her to lose government benefits.



Items to Consider

- Parents can act as the trustees.
- Trust should be separate from the family trust.
- The trust may be revocable or irrevocable.
- Beneficiaries should be named to receive trust assets after the disabled child dies.
- Family members should discuss management of the trust and how it will be funded.

This is a highly specialized document and should be drafted by an attorney who is experienced in the areas of disability, government benefits, and estate planning.

Durable Power of Attorney

A power of attorney is a written document which one person (the principal) uses to empower another person (the agent or attorney-in-fact) to act on his or her behalf.

Powers Which May Be Included

NON-TAX POWERS	TAX-RELATED POWERS
<ul style="list-style-type: none">• To buy, sell or lease assets• To sue on the principal's behalf• To collect from creditors• To change provisions in a living trust• To operate the principal's business	<ul style="list-style-type: none">• The power to make gifts to the spouse (to equalize the estates) and to children, grandchildren, etc. (to utilize the annual gift tax exclusions)• The power to make disclaimers• The power to create living trusts to benefit the principal, spouse and heirs• The power to complete transfers to a living trust if the principal becomes incompetent• The power to join the competent spouse in signing income and gift tax returns• The power to exercise special powers of appointment

Additional Considerations

Some powers, such as the power to execute and revoke a will, can not be given to another individual. In addition, powers of attorney are usually notarized and those affecting real property may need to be recorded.

A power can be a "general" power, giving the agent all powers held by the principal; a "limited" power restricts the agent to performing only those actions specifically listed.

The document can be written to empower the agent now, or to become effective only upon the occurrence of a specific event, such as the principal's incapacity (sometimes referred to as a "springing" power). A durable power of attorney may save the often-considerable costs of a conservatorship. A conservatorship, however, has the benefit of court supervision.

Note: Significant powers may be granted under a power of attorney. Before using a preprinted form, legal advice should be obtained.

Advance Health Care Directives

End-of-Life Decision Making

Modern medicine can now keep a person alive in situations that, in years past, would have resulted in the individual's death. Frequently, a patient in such a condition is unable to communicate his or her wishes with regard to the type of medical care to be provided. In the absence of any other guidance, the attending physician will typically use all available means to keep the individual alive, even when death is certain, with no hope of recovery.

However, many individuals feel that once death is inevitable, life should not be artificially prolonged through the use of such technology. The decision to start or withdraw such life-sustaining support, although always difficult, can be made easier with advance planning.

The term "advance health care directives" is commonly used to describe two key documents (sometimes combined into one) designed to address these end-of-life decisions:

- Living Will.
- Durable Power of Attorney for Health Care.

Individual state law governs the use of these documents, and such legislation can vary widely. Individuals who live in more than one state may need to execute a living will and a durable power of attorney for health care for each state.

Living Will

A living will, also known as a "directive to physicians," is a written statement of the individual's health care wishes should he or she become seriously ill and unable to communicate. The document is designed to provide guidance to someone else appointed to make health care decisions for the individual, or to the attending physician if there is no health care agent. A living will might include:

- Directions as to pain medication.
- Directions as to when to provide, withhold, or withdraw artificial nutrition and hydration, and all other forms of health care, including cardiopulmonary resuscitation.

Advance Health Care Directives

- A discussion of any religious beliefs that might impact medical treatment.
- Instructions for funeral and burial services.

Because it is impossible to foresee the future, the living will should be written in the broadest possible manner, to cover a wide range of situations.

Durable Power of Attorney for Health Care

In a durable power of attorney for health care, sometimes known as a “health care proxy,” an individual (the principal) appoints another person (the agent) to make health care decisions if the principal is incapable of doing so.¹ A durable power of attorney may employ a “springing” power, which means that the power “springs” into life when the principal becomes incapacitated.² Additional powers granted to the agent could include:

- Access to medical records.
- Authority to transfer the principal to another facility or to another state.
- Ability to authorize a “Do Not Resuscitate” (DNR) order.
- Postmortem powers to dispose of the remains, to authorize an autopsy, or to donate all or part of the principal’s body for transplant, education, or research purposes.

Other Points

- **Talk about the issues:** the individual should spend time talking with family, friends, clergy, and physician about his or her wishes in end-of-life decisions.
- **Make the documents available:** if a living will and/or a durable power of attorney exist, be sure that those involved know where to locate the documents.

¹ Many states have provision in their laws for the appointment of a surrogate such as a spouse, domestic partner, or other close family member to make health care decisions for the principal, in situations where no durable power of attorney for health care exists.

² Under the Health Insurance Portability and Accountability Act (HIPAA), a physician is prohibited from discussing a patient’s medical condition without the patient’s consent. Thus, if an individual becomes incapacitated, the person named as agent under a durable power of attorney for health care may not have access to the principal’s health-care information. Without this information, the agent would be unable to legally establish that the principal had become incapacitated, and would not be able to trigger any “springing” power. A HIPAA authorization can be used to give the agent access to the principal’s health-care information.

Advance Health Care Directives

- **Revocation:** an individual can generally revoke a living will or durable power of attorney at any time.

Additional Resources

Non-profit organizations such as the following provide support and education on end-of-life issues:

- **National Hospice and Palliative Care Organization:** (703) 837-1500; on the internet at: www.nhpco.org

Seek Professional Guidance

The counsel and guidance of legal, religious, and medical professionals is essential to the successful preparation of advance health care directives.

How Often Should Legal Documents Be Reviewed?

Once a legal document is completed and signed, it is often carefully laid to rest in a safe deposit box or file drawer and comes out again only when a party dies or a conflict arises.



Prudent persons periodically review and update their legal documents. Just how often depends, of course, on the document and which circumstances have changed. The following list sets forth some events that may require the updating of a legal document.

Life Events

- Marriage.
- Dissolution of a marriage (divorce).
- Death of a spouse.
- Disability of a spouse or child.
- A substantial change in estate size.
- A move to another state.
- Death of executor, trustee or guardian.
- Birth or adoption.
- Serious illness of family member.
- Change in business interest.
- Retirement.
- Change in health.
- Change in insurability for life insurance.
- Acquisition of property in another state.
- Changes in tax, property or probate and trust law.
- A change in beneficiary attitudes.
- Financial responsibility of a child.

If there is any question as to the effect of a change in circumstances on your will, trust, buy-sell agreement, asset titles and beneficiary designations, etc., contact the appropriate member of your team and have it reviewed before a crisis arises.

Estate Planning Detailed List

Providing the following information can help your attorney develop an appropriate estate plan for you, your spouse or significant other, and your heirs and beneficiaries.

1. Who Will Makes Financial Decisions?

Who will make *financial* decisions for you, or both of you, if no one else is available? List the full name with middle initials, address, telephone number, and e-mail address for the first and second choice.

1. **Name:**
Address:
Telephone:
E-Mail:

2. **Name:**
Address:
Telephone:
E-Mail:

2. Who Will Make Medical Decisions?

Who will make your *medical* decisions (including, possibly, end-of-life decisions) if no one else is available? List the full name with middle initial, address, telephone numbers, and e-mail addresses for the first and second choice.

1. For You
Name:
Address:
Telephone:
E-Mail:

2. For You
Name:
Address:
Telephone:
E-Mail:

1. For Your Spouse or Significant Other
Name:
Address:
Telephone:
E-Mail:

2. For Your Spouse or Significant Other
Name:
Address:
Telephone:
E-Mail:

Estate Planning Detailed List

3. Who Should Inherit Your Property?

Who will inherit your property? List the *percentage of your total estate* rather than specific assets. Include the full name with middle initial and relationship to each party.

Name	Relationship	%
A.		
B.		
C.		
D.		
E.		
F.		
G.		
H.		

4. If Your Heirs Predecease You

If any of your heirs predecease you, who should inherit their share of your estate? Name each heir and an alternate.

Heir	Alternate
A.	
B.	
C.	
D.	
E.	
F.	
G.	
H.	

Estate Planning Detailed List

5. Caring for Minor Children

If there are minor children, who will raise them if both parents are deceased? List the full name including middle initial, address, telephone number, e-mail address, and personal relationship for each choice. List *individuals* rather than naming a couple.

1. **Name:**
Address:
Telephone:
E-Mail:
Relationship:

2. **Name:**
Address:
Telephone:
E-Mail:
Relationship:

6. At What Age Should Your Children or Young Adult Heirs Inherit Property?

This age may vary with the individual.

Name	Age to Inherit
A.	
B.	
C.	
D.	
E.	
F.	

Estate Planning Detailed List

7. Real Estate

Do you own real estate? For each property, list the full address and attach a full copy of the most recent grant deed (not deed of trust), warranty deed, or quitclaim deed.

A.

B.

C.

D.

E.

F.

G.

8. Checking, Savings, and Brokerage Accounts

List each bank account, brokerage account, credit union account, or other financial account. Do not include any IRA, 401(k), or other retirement accounts. For each account attach a copy of a recent statement.

Company Name	Type of Account
A.	
B.	
C.	
D.	
E.	
F.	
G.	
H.	

Estate Planning Detailed List

9. Retirement Accounts

List all IRA, 401(k), stock savings plans, or similar retirement accounts. For each account, attach a copy of a recent statement and a blank Change of Beneficiary form.

Firm Name	Type of Account
A.	
B.	
C.	
D.	
E.	
F.	
G.	
H.	

10. Life Insurance Policies

List all life insurance policies, including those provided through an employer. Include the company name, insured, policy number, and the face amount of insurance. For each policy, attach a copy of the first page, or declaration page, and a blank Change of Beneficiary form.

Company Name	Insured	Policy Number	Face Amount
A.			
B.			
C.			
D.			
E.			
F.			
G.			
H.			

Estate Planning Detailed List

11. Annuities

Do you own any annuities? If so, please list the annuity below. Attach a copy of the first page of the annuity and a blank Change of Beneficiary form.

A.

B.

C.

D.

E.

12. Other Assets

Do you own any other assets that you have not already listed? This may include assets such as art, antiques, a business interest, collectibles (stamps, coins, or precious metals), intellectual property (domain names, copyrights, patents, trademarks, or royalties), vehicles such as valuable cars, boats, or airplanes, or debts owed to you by others.

A.

B.

C.

D.

E.

F.

G.

If Additional Space is Needed.....

If additional space is needed, please add extra sheets and number your answers using the same numbering sequence used in this form.

Estate Planning Quick List

Do you need to plan your estate? If you already have an estate plan, when was the last review?

Item	Yes	No	Last Review
Will – Do you have a will? A will is a key estate document.			
Revocable trust – Do you have or need a revocable trust? A revocable (or “living”) trust can be used as a will substitute.			
Irrevocable trust – Is an irrevocable trust need to pay estate taxes (federal and/or state) and other settlement expenses?			
How are assets owned? – Are assets appropriately “titled” to meet all estate planning goals?			
Beneficiary designations – Are beneficiary designations current for life insurance, 401(k)s, IRAs, and other assets?			
Estate settlement costs			
<ul style="list-style-type: none"> • What has been done to reduce estate settlement costs? • How are any remaining costs to be paid? 			
Estate taxes – Has estate <i>tax</i> planning been done? Under federal law, net estates of less than \$5,490,000 (2017) are exempt from estate tax. State law may differ.			
Providing for survivors			
<ul style="list-style-type: none"> • Are guardians needed for minor children? • Do you have any beneficiaries who are minors? • Is professional asset management necessary? 			
If you cannot act for yourself – Do you have:			
<ul style="list-style-type: none"> • A “Living Will?” • A Durable power of attorney for health care? • A Durable power of attorney for financial affairs? 			
Is there a letter of instructions? – A private, informal way of guiding your family or executor in settling your estate.			
Do you wish to leave an “ethical will?” – An ethical will is a spiritual legacy to future generations.			

Seek Professional Guidance

The guidance of a trained, experienced attorney is considered essential in the development of a successful estate plan. Professionals from other disciplines such as income tax, life insurance, trust administration, charitable giving, and investment management may also be part of your estate planning “team.”

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