



# Questions & Answers

## About Estate Planning

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### Taking Hold of the Future

THROUGH AN EFFECTIVE estate plan, you can provide future economic security for yourself, your family and others you wish to benefit.

Read on for more about steps to ensure you have an effective estate plan.

### Answers to Frequently Asked Questions

#### **Q. What is estate planning?**

**A.** In its broadest sense, estate planning involves making provisions for the present and future management of the property you accumulate during your lifetime and deciding how you want it distributed when you no longer need it.

#### **Q. What if I do not make an estate plan?**

**A.** The state laws where you live will provide one. Your state's plan cannot:

- provide for your heirs according to their needs.
- take into account who you would have wanted to be the legal guardian of your minor children.
- provide for special friends or charitable interests.

#### **Q. How do I begin the estate planning process?**

**A.** A good place to start is with the “Four Ps.”

- List the **people** you would like to provide for in your plans. You may wish to include charitable interests.
- List the **property** you own and any income it produces. Include investments, real estate, retirement plan funds and life insurance assets, as well as personal property.
- Your **plans** will begin to take shape as you consider how you wish to use your property to provide for the people on your list. Study your property list carefully, looking for opportunities to match the needs of each person.
- List the **planners** you will need to help you—your attorney, accountant, financial planner, banker and/or others. Consider asking your most trusted advisor to help coordinate the process.

**Q. Is a will the only document needed to complete my estate plan?**

**A.** Not necessarily. There are other ways to distribute property that can act in concert with the terms of your will.

**Q. Why might I need a plan other than a will?**

**A.** A trust can distribute assets and manage them for elderly persons or for younger heirs until they reach a certain age.

Joint ownership arrangements allow you to own property with others. At the end of one owner's lifetime, the property passes outside of probate to the survivor.

A power of attorney lets you appoint someone to handle your financial affairs if you should be unable to do so. Many people also create a living will, which outlines their health care wishes.

Also, review the beneficiary designations of life insurance policies, IRAs and other retirement plans because your will and other plans may not affect their distribution.

**Q. How can I make charitable gifts in my estate plans?**

**A.** You can make gifts from funds that remain after you have first ensured your family's financial well-being. You can accomplish this through a bequest in your will, a gift included in a trust, naming a charity to receive life insurance or retirement plan proceeds or other charitable designations.

**Q. Is there a way I can enjoy tax savings and other benefits from charitable gifts now?**

**A.** Yes. There are ways to give which can provide you with income for life or another specified period of time you choose. You can then make a charitable gift of assets that remain when you no longer need the payments. Income tax deductions are allowed for such gifts when completed during your lifetime.

If you fund income gifts with securities that have increased in value over the years, you may reduce and/or delay capital gains tax that would be due had you sold the assets. It can also be possible to receive payments that are free of tax or taxed at lower rates than other income. You also enjoy the satisfaction of making a thoughtful charitable gift in a way that preserves, or perhaps enhances, your financial well-being or that of your loved ones.

## Conclusion

There is no time like the present when it comes to creating or updating your estate plans. Experience the peace of mind that can come from taking control of the future in ways that will benefit you, your loved ones and your charitable interests.

We will be pleased to work with you and your advisors as you consider the charitable dimension of your plans.