

Strategies

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Spending a little time getting organized now can result in savings later on. Including United Way in your giving plans can help enrich the community and strengthen the quality of life for many.

Do Your Plans Still Fit?

Recent years have been ones of tremendous change. Tax law revisions, economic fluctuations, and other events may have greatly affected your long-term financial plans.

When was the last time you updated your will? Even the best and most comprehensive plan can become inadequate over time.

Many events can affect your will, living trust, or other estate plans. The birth of a child or grandchild is one example. A move to another state or a change in marital status are others. Even changes in the value of your assets may necessitate a revision of your will.

Keeping up to date

Your will and other plans should reflect your thoughts, desires, and financial picture at a given time. When your circumstances change, so should the documents that mirror them. Most changes in personal and philanthropic goals can be anticipated and provided for through careful planning.

You may be surprised to learn that there are actually ways to promote enhanced security for yourself, a spouse, and/or others while also creating a legacy that will serve to provide future support to your charitable interests.



Provide for loved ones

Charitable bequests need not affect your family's future security. After your loved ones have received the property you designate for them, you can include a gift in your will of the remainder of your estate.

A charitable gift of the residue of your estate can also be changed at any time, at your discretion.

Looking ahead

Pausing now and taking the time to look ahead can help prevent confusion concerning your intentions as well as unnecessary delay in implementing them.

Inside:

Take this quiz	2
How the probate process works	3
Do you need an attorney?	4

Can You Pass This Quiz?

Take a few minutes to see if your plans still meet your needs.

Although it may have been years since you last took an exam, we invite you to try your hand at the following quiz. The results may be helpful and enlightening as you consider your long-range estate and financial plans.

Answer each statement as either *true* or *false*. Any questions you cannot answer due to incomplete estate planning should be answered *false*. If something does not apply to your situation, answer *true*.

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- 1. I have a will.
- 2. I have not moved to a different state since last reviewing my will and other estate plans.
- 3. My marital status has not changed since my last review.
- 4. I have suggested a guardian for my minor children or other dependents, if necessary.
- 5. Children or grandchildren have not been born since my plans were last reviewed.
- 6. I am certain all my property will ultimately go to the persons I want to receive it, in the amounts I desire.
- 7. My spouse and/or children would need no assistance in managing property left to them.
- 8. No significant increases or decreases in wealth have occurred since my last review.
- 9. I remembered to consider any special friends when making my plans.



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- 10. There is no one I wish to provide with temporary help (e.g., education of children or grandchildren).
- 11. I am satisfied with the charitable gifts included in my plans.
- 12. I know the approximate amount of estate taxes I will owe.
- 13. The person I have chosen to handle my estate settlement is still willing and able to serve.
- 14. Joint ownership arrangements have been made where appropriate.
- 15. I am aware that my spouse will not receive all of my property unless I have a will or other estate plans in place.
- 16. My financial records are up to date and readily accessible.
- 17. I have discussed my estate plan with those close to me.
- 18. My loved ones know who has assisted me in my estate planning.

If you answered *false* to one or more of the above questions, you may wish to consult with your attorney and other advisors for advice on bringing your plans up to date.

Understanding the Probate Process

The role of the probate process in transferring property to its intended new owners is perhaps one of the least understood aspects of financial planning.

In probate, a procedure to settle a deceased person's affairs, the following are provided:

- A means of proving the validity of a will.
- A process through which a will can be contested.
- A forum for creditors to present their claims; also prevents creditors not involved in the probate from making future claims against an estate.

What does probate affect?

The only property that passes through probate is property that hasn't been left to other people by other means.

Assets such as life insurance, jointly owned property, and many retirement plans and trusts generally have designated recipients, and ownership of these assets is not normally determined through a probate proceeding. Personal assets—jewelry, cash, and various other items—often will be transferred only through the probate process.

Your will as “instruction sheet”

In most cases, a special court oversees the probate process. The first step is determining whether the owner of the property left a will to instruct the judge and to name a personal representative to oversee the distribution of assets.

If there is no will

If no valid will exists, the probate court is forced to apply state law—essentially an all-purpose will drafted by the state legislature. When this “generic” will is used, assets not distributed outside of probate are typically divided among heirs based on their relationship to the deceased.

Financial need or other important factors are not taken into account when assets are divided, and no provisions are made for friends or charitable interests.

Reducing the cost of probate

Here are a few ways to help accelerate the distribution of property while minimizing expenses associated with the probate process:

- Have a valid, up-to-date will.
- Make sure your executor (in some states known as a “personal representative”) is still capable and willing to serve.
- Consider a living trust.
- Carefully review the beneficiaries of your life insurance and retirement plans.
- Review joint ownership.

Time spent planning for the probate process can help make estate settlement as smooth as possible for your loved ones during a difficult time.



Understanding how probate works can help make estate settlement as smooth as possible for your loved ones.

Why Consult an Attorney?

Effective estate planning is an ongoing process. Once you create your plan, remember to periodically review and revise it with the help of your advisors.

With a variety of “do-it-yourself” will planning kits on the market, is there a real need to go to the trouble and expense of hiring an attorney to plan your estate?

For most persons, the answer is probably yes. By working with an attorney who is experienced in estate planning matters, you will see firsthand how he or she can help you and your loved ones by:

- Recognizing pitfalls and taking steps to minimize their impact.
- Staying current on complex state and federal laws, including changes that occur and court interpretations of such laws.
- Helping to reduce or eliminate estate taxes.
- Being familiar with legally correct wording so that your wishes are accurately conveyed.
- Making sure that the impact of insurance and retirement plan designations are considered.

- Safeguarding documents once they are completed.

Failure to make estate plans can place a tremendous strain on loved ones at a most difficult time. Investing a moderate amount of time and other resources in good advice today may prevent unpleasantness for those you care about most.

Attorney’s fees for estate planning can be quite reasonable, and most will commit to a maximum fee in advance. If you do not have an attorney, or if you need an estate planning specialist, ask for recommendations from friends, relatives, or your local bar association.



For more information, contact:

T. J. Reilly, Ph.D.
 Director, Planned and Major Gifts
 United Way of Tucson and Southern Arizona
 P.O. Box 86750
 Tucson, AZ 85754-6750
 (520) 903-9000, ext. 725

