



## *visions* IN PERSONAL PLANNING

The importance of estate planning

- Some key concepts
- How charitable giving fits

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### **Personal Philanthropy and Estate Planning**

Sometimes when the conversation turns to estate planning, it's easy to tune out. And that is understandable. It is important to remember, however, that fundamental estate planning concepts can be easy to implement and beneficial to you, your loved ones, and your favorite charitable organizations.

For example, a lot of estate planning is done in a somewhat informal way. Think about the individual retirement accounts and life insurance policies which need a designated beneficiary—someone who receives the property in the event of your death. This is part of planning for your estate.

In this newsletter, we cover some of the basics of estate planning. Understanding or going back to key concepts becomes the first step to creating or updating your own plan. We also discuss how charitable giving can put a personal signature on your estate plan.

We hope you find this information useful and thank you for your continued support. If you have any questions about how charitable giving can enhance your estate plan, please contact us by phone, email, or returning the enclosed card. Be sure to ask for the new brochure called *Steps to an Effective Will or Living Trust* that builds on what we cover in this newsletter.

As always, we look forward to discussing your philanthropic goals with you and your advisors.

Cordially, Fraternally and Sincerely,  
Faron A. Lewitt

OUR PLANNED GIVING WEBSITE!

Visit [www.zbt.org/plannedgiving](http://www.zbt.org/plannedgiving) to learn more about options for integrating tax-favored giving with your personal planning.

**ZETABETATAU**  
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# Building an Estate Plan

The foundation for an estate plan is a will and/or revocable living trust. If you do not have a will or living trust, the intestacy laws of your state determine where your property goes according to a fixed, statutory formula. In order to make your own choices about how you leave your estate to others—including worthwhile charities—you must first put your foundation in place.

## What Is a Will?

A will is a set of instructions for distributing property from an estate. It is a unique legal document and its signing and execution must follow state laws. Because making a will is a sensitive task, the help of an attorney is highly recommended.

A will is a “living document” which means a will can be changed, amended, or updated at any time. However, when someone dies, the will becomes final and controls aspects of how and to whom the estate is distributed.

But remember—besides its importance as a legal document, a will can be a highly personal document that reflects your values and appreciation for family, friends and charities.

### Three reasons why everyone should have a will

**Peace of mind**—By taking the time and effort to make a will, you are assured that your assets will be distributed on your terms in a thoughtful way. In particular, you can provide for special needs or considerations for your loved ones. You have made the critical decisions—not the state, the court, or a relative you may hardly know.

**Clarity of intent**—A will provides clear documentation of your intentions. Your will is a legally enforceable document used by the court to control the disposition of your assets. It is an ideal way to make certain your wishes are known and ultimately fulfilled.

**Service to others**—Your will can also be viewed as a thoughtful gift to your family and friends. Because your decisions are documented, you relieve loved ones of the heavy, complex, and often difficult job of determining how you would have wanted estate assets to be distributed.

**FACT:** According to a 2009 survey conducted by Harris Interactive on behalf of Lawyers.com, only half of Americans possess some sort of estate planning document (will, trust, power of attorney).



## Other Estate Planning Ideas

### A revocable living trust: where does it fit?

Like a will, a revocable living trust is a tool for managing the disposition of assets. It is revocable and can be changed as long as the estate owner is alive. At death, however, the trust becomes irrevocable. (It can also be set up to be irrevocable in the event of incapacity.) Like a will, a revocable living trust can provide peace of mind and clarity of intent, and can be a considerate way to facilitate estate settlement. A major difference between a will and a revocable living trust in planning has to do with *probate*.

### The probate process

When an estate owner dies with a valid will in place, the court accepts the will and probate begins—which simply means that the administration of estate settlement and the process of disposing of assets gets underway. Since court proceedings are a matter of public record, every will is available for public inspection.

By contrast, a properly drawn, legal revocable living trust is not subject to probate. The estate administration stays private. Privacy is the main reason why many people choose a revocable living trust instead of a will as the foundation of their estate plan.

### **A personal decision**

There are advantages and potential disadvantages to wills and revocable living trusts. When compared to a will, a revocable living trust is generally more expensive to set up and complex to administer. You and your advisor(s) should consider your personal needs and wishes to determine the best way to proceed.

### **Keep track of the beneficiary designation**

Despite what it says in a will or a living trust document, the beneficiary designations on life insurance policies and certain financial accounts control who will own or receive the property after you pass away. Make sure that you and your advisors are aware of who is listed as the beneficiary on these contractual arrangements.

### **The purpose of a living will**

Another useful tool in estate planning is a living will, a document that is totally separate and distinct from a testamentary will and a revocable living trust. A living will (sometimes called an advance directive) specifies your instructions regarding medical treatment and life-prolonging measures should you become incapacitated and unable to make decisions for yourself.

A living will is typically accompanied by a medical power of attorney that identifies who can make the necessary health care decisions on your behalf. This combination of a living will and health care power of attorney provides essential information designed to

ensure that your wishes are fulfilled. End-of-life health issues can be complex, controversial, and emotionally draining. Your loved ones, care givers, and advisors all benefit when you carefully consider this possibility and provide clear instructions regarding your personal wishes.

### **The Next Step**

A will, a revocable living trust, and a living will are widely recognized estate planning tools. However, there is no ready-made, one-size-fits-all plan. If you do not have a will or living trust, the first step is to meet with your advisor(s) to get the planning process started. You'll benefit from the help of a professional who can steer you toward good planning decisions that meet your personal goals and adhere to the legal requirements in your state.

Once your estate plan is in place, it is very important to review the plan periodically. There are many different circumstances that could require you to revisit your plan:

- A change in your family (e.g., the birth of a grandchild).
- A change in your lifestyle (e.g., reaching retirement).
- A change in what assets or what type of assets you own.
- A change of scenery when you move to a state with new rules.
- A change in the law (the estate tax law can significantly change from year to year).

Whatever the reason, you should keep in touch with your advisors and let them know what is happening in your life and your estate plan.





## REMEMBERING US IN YOUR WILL OR LIVING TRUST

As you prepare your estate plan, consider the personal legacy you will create when you make a charitable gift. Naming the Zeta Beta Tau Foundation in your will or revocable living trust is an ideal way to leave a legacy that will make a statement and support our work.

A bequest in your will or a gift through your living trust can be worded in several different ways—the appropriate wording depends on the individual estate plan and what you want to accomplish.

Note that certain types of property are ideal for giving to charity (your attorney can help you choose).

## THE WORDS THAT MEAN A LOT

The wording of a charitable bequest (in a will) or gift (through a living trust) depends on the individual estate plan and what someone wants to accomplish. It is possible to:

- Leave a particular asset to the Foundation (100 shares of ACME).
- Give a set amount of money (\$10,000).
- Designate that we receive what is left in your estate after provisions for loved ones have been met.
- State that certain property from your estate will go to the Zeta Beta Tau Foundation in the event that a beneficiary does not want the property.
- Endow a scholarship in your name (\$25,000).

The idea is to find language that properly conveys the right asset to become the right gift.

## Your Generosity Matters

If you are considering making a gift to the Zeta Beta Tau Foundation through your will or living trust, be sure to use the exact legal name of our organization: **Zeta Beta Tau Foundation, Inc.**

And if you have included us, please let us know of your intention. We would enjoy the opportunity to thank you and learn more about the motivation behind your thoughtful gift.

If you have questions or would like more information about ways to support the Zeta Beta Tau Foundation, contact us by phone or email, or return the enclosed card. Be sure to request our helpful brochure, *Steps to an Effective Will or Living Trust*.

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