



visions IN PERSONAL PLANNING

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Spring 2014

The Importance of Creating a Will

The most common misconception

What's the most common misconception about estate planning? Simply this: Estate planning is a painful and burdensome process. In reality, there are a few basic tenets that provide planning guidance for the vast majority of estates. This uncomplicated guidance ensures that property owners benefit loved ones while rewarding the charitable organizations they have spent a lifetime supporting.

In this newsletter, we focus on the most fundamental tool of estate planning—a will. Understanding this basic tool can empower estate owners as they begin to create or update their estate plans. We will also explore how personal philanthropy can ensure your plan reflects your vision and values. Planning your will does not merely provide a roadmap for how your assets

should be distributed; rather, it is a statement designed to create your legacy...a testament to who you are and what you value.

We thank you for your continued support of the Zeta Beta Tau Foundation and hope that you find this newsletter useful. If you would like further details about the role charitable giving might play in your personal estate plan, please contact us. Be sure to ask for our complimentary brochure, *Planning Your Will: How to Make it More Personal and Effective*.

As always, we are happy to help you explore opportunities for realizing your personal and philanthropic goals.

Cordially, Fraternally and Sincerely,
Faron A. Lewitt

OUR PLANNED GIVING WEBSITE!

Visit www.zbt.org/plannedgiving to learn more about options for integrating tax-favored giving with your personal planning.

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A Will—the Foundation of an Estate Plan

A will is a simple set of instructions for the distribution of property from your estate. These instructions are important because anyone who dies without a will in place subjects their estate to intestacy laws. These laws determine the distribution of assets according to a statutory formula, which will rarely, if ever, match up with an individual's preferences for estate distribution. If you want the people and causes that matter most to you to eventually benefit from your estate, a will is absolutely essential.

Of course, each will is a unique legal document that must adhere to state and local laws to be valid. An attorney will ensure that your will meets these standards. Although state laws differ, here are some common requirements:

- A will must be in writing
- A will must be signed by the estate owner in the presence of one or more witnesses
- The estate owner must be of sound mind at the creation of the will and at its signing

Learn by Example

In April 2013, the *New York Times* article, “He Left a Fortune to No One,” highlighted the case of Roman Blum—a real estate developer and Holocaust survivor worth nearly \$40 million who died in New York without a will. According to the state comptroller's office, this is the largest unclaimed estate in New York's history. Since Mr. Blum had no living relatives, the entire amount of his liquidated assets will pass to the city's Department of Finance. Although friends spoke of Mr. Blum's stated intentions to “make them proud” with his estate plan, his lawyer can find nothing indicating his wishes for the distribution of his estate.

Though Mr. Blum is an example of extreme wealth, his story highlights the risks inherent when anyone fails to create a will. Portions of Mr. Blum's nearly \$40 million estate could have greatly benefited some of the causes he was passionate about. Instead, the state of New York will receive the estate in its entirety. Don't miss the opportunity to make a difference in the lives of others by failing to create a will.

As you can see, the foundation for any estate plan is a will. Do you have one? Unfortunately, too many Americans do not. Some people feel they're too busy...others find the process intimidating...still others assume drafting a will is complex and difficult. Some estate owners simply don't want to think about their own mortality.



Changing Your Will

One of the key strengths of a will is that it's a flexible, dynamic document. You can change a will any time you wish by executing a codicil that supplements or changes (but does not replace) an existing will. For example, if you drafted your will when your children were dependent, you may want to execute a codicil to alter your distributions when your children become successful adults. You should also plan to review your will periodically to ensure that it reflects the changes that occur over time to:

- your family (e.g., the birth or adoption of a grandchild)
- your lifestyle (e.g., reaching retirement)
- your assets (e.g., the sale of a business or real estate)
- your location (e.g., a move to another state or part-time residence in another state that may alter estate requirements)
- state or federal law (e.g., an increase in federal estate tax rates)



Additional Estate Planning Tools

Although a will is the foundation of most estate plans, there are other tools estate owners can use to fine-tune asset distribution in a way that will best accomplish personal goals.

Revocable Living Trusts. A revocable living trust is a tool for managing the disposition of assets, much like a will. As the name suggests, you can change or revoke this type of trust during life. The trust only becomes irrevocable at death (or upon incapacity, if you choose).

There are advantages and disadvantages to wills and revocable living trusts. A revocable living trust is generally more expensive to set up and complex to administer. Some planners use only a will for asset distribution while others prefer a revocable living trust. Many use both. From an estate planning perspective, the best choice is to meet with your attorney to get the planning process underway.

Living Wills. A living will is a document that is separate and distinct from a testamentary will or revocable living trust. A living will specifies your instructions regarding medical treatment and end-of-life procedures should you become incapacitated and unable to make decisions for yourself. It is usually accompanied by a healthcare power of attorney that identifies the person you have designated to make healthcare decisions on your behalf.

Making decisions about end-of-life treatment can be complex, controversial, and emotionally charged. The combination of a living will and healthcare power of attorney benefits everyone immensely. Together, they provide guidance regarding your personal healthcare wishes—guidance that can alleviate doubt and guilt and minimize arguments among loved ones.

Beneficiary Designations. You may also want to consider beneficiary designations on individual retirement accounts (IRAs) and life insurance policies as another way to distribute assets. A beneficiary designation is a simple, straightforward way to ensure that your retirement savings or life insurance proceeds go directly to the person or charitable organization of your choice.





CHARITABLE BEQUESTS

The simplest way to give through a will is by charitable bequest. A charitable bequest is a simple designation in your will that gives a charity:

- A particular asset (e.g., a piece of property)
- A set amount of money (e.g., \$10,000)
- The residuary estate (what is left after provisions for loved ones have been met)
- Any property that a named beneficiary chooses not to accept

THE ADVANTAGES OF HAVING A WILL

It would be difficult to overstate the importance of creating a will. A will provides so many important advantages, including:

Peace of mind. By taking the time and effort to make a will, you are assured that your assets are distributed in a meaningful way. In particular, you can meet any special needs or considerations for your loved ones since you have an opportunity to make the critical decisions—not the state, the court, or a relative.

Clarity of intent. A will provides a clear declaration of your intentions. It is an ideal way to ensure that your wishes are known and ultimately fulfilled. A will documents your decisions, and in so doing relieves loved ones of the difficult job of trying to determine how you would have wanted estate assets to be distributed.

Service to others. Your will is also a valuable tool to make thoughtful gifts to your family, friends, or causes that are important to you.

Remembering Zeta Beta Tau

As you begin drafting or updating your will, think about how your personal legacy is taking shape. Of course, your first priority is to provide for your loved ones, but it's also important to make a statement about the values that matter most to you. Naming the Zeta Beta Tau Foundation in your will, making the Foundation a beneficiary for your IRA or life insurance, or benefiting the Zeta Beta Tau using a revocable living trust are all ways to ensure that your legacy supports our work.

Our staff would be happy to explore any of these strategies with you. Please take a moment to contact us by phone or email, or use the enclosed reply card to request our complimentary brochure, *Planning Your Will: How to Make it More Personal and Effective*. We value your support and look forward to helping you realize your personal planning and philanthropic goals.

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