

Six Steps to an Effective Will



Your will is a practical, legally sound document carefully designed to efficiently distribute your estate. But a will should be sensitive, too—reflecting your life values as well as your concern for loved ones.

Whether your will is simple or complex, you can make it more effective if you use the following six-step approach in your planning.

STEP 1 **Act Now**

If you do not have a will, or if you have not reviewed your existing will in the past few years, perhaps you should plan to visit your attorney.

Many Americans die without leaving a valid, up-to-date will. The results are often tragic: loss of control over asset distribution, unnecessarily higher taxes, and other extraneous costs. Don't let procrastination keep you from properly providing for your loved ones. Decide to act now!

STEP 2

Determine Your Real Objectives

Deciding how to dispose of an estate is never a simple matter.

A husband may think, “I want to leave my entire estate to my wife.” Upon reflection, however, he may realize that his real objective is to provide lifetime financial security for his wife.

Determine your real objectives before you consider the means of accomplishing them. It’s helpful to write down everything you would like to provide through your will, such as:

- Complete financial security for a spouse or an elder dependent
- Financial assistance to children or an educational fund for grandchildren
- A token bequest to a best friend
- A bequest of a piece of jewelry to your daughter or a coin collection to your son
- A charitable bequest to fund an important program to help shape our future

Take time to think about contingencies that could affect your planning. For example, what happens if a beneficiary predeceases you? Or if you and a beneficiary die in a common disaster? Your attorney can help you answer such questions.



STEP 3

Make an Inventory of All Your Assets

A detailed inventory of all your assets is an essential step in planning an effective will.

Be sure to include everything in your estate inventory: life insurance, retirement benefits, jointly owned property, etc., even though these assets may not pass under your will.

STEP 4

Consult with Your Attorney

Get the advice of your attorney on how to best accomplish your objectives, as there are many techniques available. Your attorney may recommend making lifetime gifts, leaving bequests in your will, or creating trusts that can benefit several people or institutions.

Here are some important thoughts to share with your attorney:

- Can a trust in your will add to the effectiveness of your estate plan? A trust can permit you to provide an income or other benefits for another person or group of people while allowing the trustee to retain final control over the disposition of trust assets.
- Should you name contingent beneficiaries? It is generally advisable to name a second beneficiary to take a bequest in the event the primary beneficiary predeceases you.
- Should you make lifetime gifts? In certain cases, lifetime gifts can accomplish your objectives more effectively than bequests. Gifts can also minimize probate costs and estate and/or inheritance taxes.

This is the time to make specific decisions about bequests that you wish to include in your will. If your plans include a charitable bequest to us, we will be happy to assist you so that you achieve the best result in both personal satisfaction and tax savings.

STEP 5

Have Your Attorney Draft Your Will

Once you have come this far, rely on your attorney to draft a document that will carry out your objectives effectively and economically. It is the attorney's obligation to be sure your will complies with state law and that your directions are clearly expressed and legally enforceable.

Your attorney may include specific powers for your executor or trustee, special provisions for the payment of taxes, costs and debts, and other provisions essential for a truly effective will.

STEP 6

Make Periodic Reviews

Your will is much like a photograph. It reflects your objectives only at the time it was signed. It does not automatically adjust to reflect changes in the size of your estate, changes in the needs of your beneficiaries, or changes in the tax laws.

In short, keep your will current. Take the time every year to review it. Equally important, ask your attorney to review your will periodically to keep it up to date with our ever-changing tax laws and to help you take advantage of the latest estate planning techniques.

Checklist for an Effective Estate Plan

- Coordinate your life insurance and retirement plan beneficiary designations with your will and make sure the beneficiary forms are up to date
- Consider employing a revocable living trust to hold all your assets, minimize probate costs, and provide privacy for your estate plan
- Arrange your affairs to provide an immediate source of income for beneficiaries who need money right away
- Include a charitable bequest in your will to meet your philanthropic goals
- Design your estate to minimize estate and/or inheritance taxes
- Consider including a trust in your will
- Use lifetime gifts as an effective means of distributing a portion of your estate ahead of time

Please contact us for more information about how charitable intentions can enhance estate planning. There is no cost or obligation.