

FAITH & FUNDS

Stories and Ideas For Making
the Most of Your Assets

WHERE THERE'S A WILL

By W. Robert Daum • Director • Gift Planning & Trust Services Department • Pacific Union Conference

As we near our golden years of life, many of us begin to think about how to distribute the assets and resources we've accumulated through the years. The automatic or default plan according to the world's culture is to leave most or all of our estate to our children or other relatives. However, as Christians many of us want to leave most or all of our wealth with our favorite part(s) of God's work.

Do you have a will? What happens to your estate should you die without one? How can you pass assets on to your children without having them pay high taxes? This issue of *Faith & Funds* focuses on these concepts. We also present strategies to help you avoid high taxation on the transfer of your wealth.

In Psalm 39, King David makes this statement: "You have made my days a mere handbreadth; the span of my years is as nothing before you . . . He bustles about, but only in vain; he heaps up wealth, not knowing who will get it." (vs. 5-6)

My friend, there is a reason God has entrusted you with worldly possessions. It is a spiritual principle for you to do the best with what you have. Some of us wander through our brief lives fretting and worrying about every little detail. Our lives here are only a vapor. Yet what we do with our time and talents is of great importance to the Master. For it truly is the difference between life and death.

By simply planning a strategy to distribute your assets and wealth, you may avoid



thousands of dollars being misdirected to unnecessary taxes. By redirecting these dollars, through effective estate planning, you can make a difference in providing funds for furthering the ministry of your choice and help win the battle of good vs. evil. There are three simple steps listed at right to help you choose a direction.

Remember, if you fail to plan, you plan to fail.

- ✓ Consider doing an estate plan today.
- ✓ Continue reading *Faith & Funds* for strategies that can match your specific situation.
- ✓ Contact one of our planned giving advisors to begin the process of developing this plan.

THE MAN WITHOUT A WILL

I asked him straight out,

"Jim, do you have a will?"

He replied without blinking, "No, and I don't need one either."

I swallowed. Here was a married man in his late 50's who was either grossly misinformed about the need for a will, or who simply didn't care. Instead of backing off, I decided to press on. Perhaps I could persuade him to change his mind. If so, I could do both him and his family a favor.

"You know," I began, "you're wrong about not needing a will."

He blinked.

"That's right," I said. "If you die without a valid will and any other appropriate documents, state laws will determine the disposition of your estate. And the state's will for you may be a far cry from what you yourself might want.

"Since they must 'go by the book,' they will not be able to consider your desires. Nor will they provide anything for the charities you have supported so faithfully over the years. Probate costs will likely be greater and a stranger may be named to represent you. Your lack of direction concerning your desires will likely cause confusion and frustration among your relatives. In short, you could leave behind a mess."

I told him about estate taxes and how they could diminish what passes through to his children after his wife's death. "By making certain provisions in your will," I explained, "these taxes could be reduced or avoided altogether."

I sensed he was having second thoughts about his no-will mindset. I pressed on: "By the way, have you considered what would happen if you and your wife should both die in a common disaster?"



He looked down. He had never allowed for that possibility. He just assumed he would die first and that his wife would then do some estate planning with the help of the kids and an attorney.

I could see the wheels turning as he imagined the various scenarios of a common death. Where would the estate go? What about the court-appointed administrator and the expenses of selling property and gathering records? What about all the misunderstandings and family problems that could develop? And what about those charitable organizations he supported? What about the world-wide needs of his Church?

Finally, Jim spoke.

"How do I go about making a will?"

If you find yourself without a will, or with a will that is out-of-date, contact your local planned giving representative (*Faith & Funds* page 4) and make an appointment today to begin making arrangements for your will.

Now you might live until Jesus comes and put all you have accumulated into the final "loud cry" of the Proclamation of the Gospel. But even then, it's good "insurance" to have a plan in place to honor your covenant with God and provide for any family members who are dependent on you, in case you don't live to see Jesus come.

YOUR INHERITANCE IS NOT AUTOMATIC: IT'S A GIFT

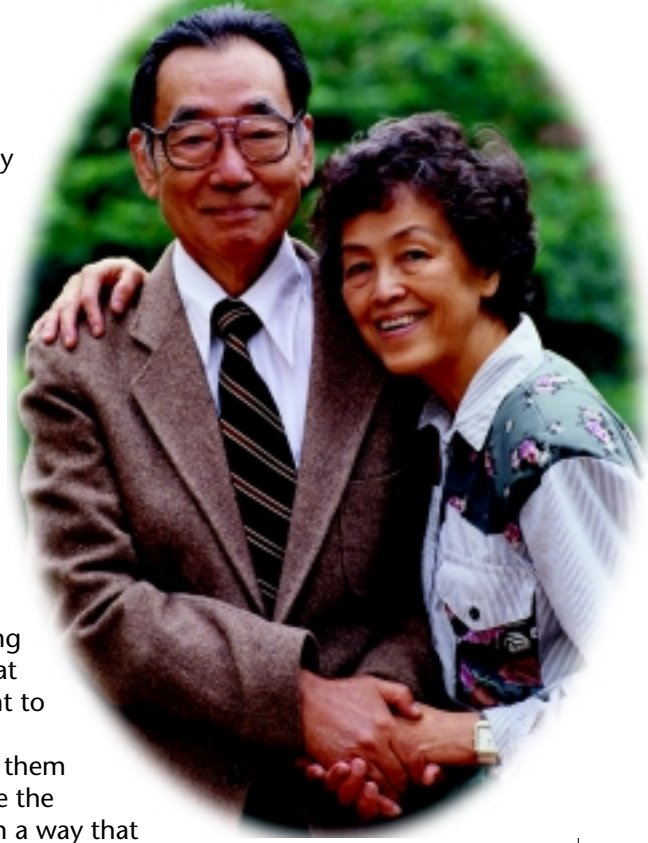
It used to be that at the end of life, all assets either went to a surviving spouse or to your children. Consider the farmer who worked his fields his entire life, leaving the farm to his first-born child. Or consider the successful businessperson who built a small family business into an empire to leave to a son or daughter.

Today, most children grow up and leave the farm to get a college education, establish their own life, and never return to the farm. Frequently, the child who grows up within a family business seeks out a different path, leaving the business to be sold or inherited by someone else.

Consider making the distribution of your wealth a constant matter of prayer. You may have children who are financially solvent and would make good use of the money you leave them, and by doing so you may be passing on a great benefit. However, you may have children

who are financially solvent and possess a lifestyle that does not agree with your Christian values. You may be passing on a great detriment to them by allowing them to misuse the money in a way that would be displeasing to you.

As you plan for the distribution of your assets, remember that an inheritance is not automatic, it's a gift. Many of us enjoy giving gifts. This is just another golden opportunity for you to give gifts to those whom you love and appreciate. Pray earnestly and sincerely that God will lead you in this process. As His faithful stewards, He will be faithful and just to guide you according to His will.



Strategies for Staying Young

- ✦ Let go of yesterday.
- ✦ Enjoy every moment of today.
- ✦ Look forward to tomorrow with great anticipation.
- ✦ Keep learning: read a new book, try getting into computers, take up a new hobby.
- ✦ Be ambitious: start a Bible study class or a prayer group.
- ✦ Be in the presence of children or youth: volunteer at a school, or just visit your nearby playground.
- ✦ Stay active: take a walk every day, ride a bicycle.
- ✦ Count your blessings – every last one!

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SPECIFIC COMPONENTS OF A WILL

We frequently talk about a will and what it includes, but do you really know what it can do for you? Here are just a few points of information about wills that you may or may not know:

- ✎ A will stipulates who you are, what you have, and who you want to leave it to. They are easy to draw up, can be done by an estate planning attorney, but that is not required. In some states, simple hand-written wills can be drawn up without legal counsel; many software and internet programs are now available to help you create a will; some states even accept oral wills, however, it is best to execute a formal will with the assistance of competent legal counsel, who specializes in estate planning. The do-it-yourself-method could be as fatal as do-it-yourself brain surgery.

- ✎ Once a will is entered into court, it becomes public record. Relatives, friends and associates can read about your death in a newspaper and contest the will. It is public and eliminates any privacy you may have wished.

- ✎ Even though you have prescribed your wishes, the courts can find your will invalid for several reasons including improper execution; the grantor was not mentally competent and able to understand what they were doing upon the execution of your will; the will was made under duress or undue influence from another person. If the will is found to be invalid, the



court will usually treat it as if you have died intestate or without a will. When this happens, the state then determines how your property will be distributed.

One of the largest expenses on an estate is tax. Wills do nothing for estate taxes, unfortunately. Individuals who have estates over \$675,000 are subjected to high taxes that can be as high as 55% of the value of the estate. If you're married a will may not maximize the Unified Credit exemption for both individuals; and in some cases, the \$675,000 exemption meant per individual is reduced to \$675,000 per couple.

Of course, one way to prevent all of this from happening is having a well-thought-out, well documented estate plan. That plan begins with a will. It may involve other documents as well. Please contact your local planned giving advisor and consider today how you would like your estate handled.



YOUR LOCAL PLANNED GIVING REPRESENTATIVE. . .

Arizona Conference: David Moore (480) 991-6777	Northern California Conference: Ernie Dobkins (925) 685-4300
Central California Conference: Tom Kapusta (559) 291-7700	Pacific Union College: Maynard LeBrun (707) 965-6596
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