

SENSIBLE PLANNING

for Financial Security & Spiritual Fulfillment...

Estate Planning: An Overview Guide

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Who will inherit your property when you die?

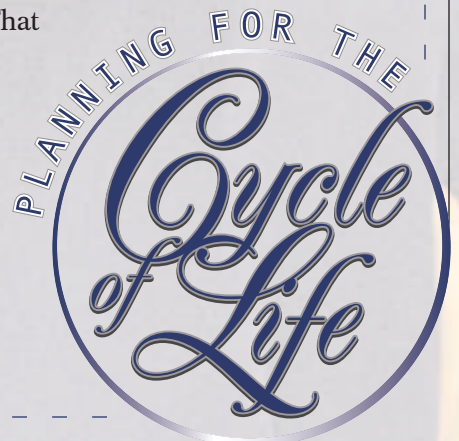
What kind of medical treatments will you want to receive—or avoid—if you become critically ill?

Thinking about these questions BEFORE illness or death strike is what estate planning is all about.

PLANNING YOUR ESTATE MEANS:

1. Talking to your family members now to decide how to handle your financial and medical affairs if you become incapable of making your own decisions.
2. Drawing up a will or establishing a trust that will distribute your property according to your wishes after you die.
3. Making other important decisions now. That way, your loved ones won't be confused or burdened with financial troubles when you can no longer provide for them.

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PREPARING YOUR WILL

Your will is the keystone of your estate plan. It spells out how your assets will be distributed and how your dependents are to be cared for after you die. If a will is properly prepared, witnessed and signed, it ensures that your wishes regarding these matters will be followed. You can use your will to:

1. **Identify who will inherit your estate.**
2. **Distribute your property.**

3. **Name guardians for your minor children.**

You will need to appoint a guardian to care for children who are under the age of 18. You should also appoint a guardian for any children who will be unable to care for themselves in adulthood. A guardian will raise your children until they reach maturity. If your children are young, consider naming alternate guardians who can step in if your primary guardian dies or becomes disabled.

4. **Create a trust if any minors will be inheriting your assets.** The trust specifies the age at which the child will receive his or her inheritance. It also appoints a trustee to manage that inheritance

until the child takes possession of the assets.

5. **Choose an “Executor.”** The

Executor will manage and settle your probate estate according to your instructions. Make certain the person you choose as your Executor is both willing and able to serve.

If you die without a will (called “intestate”), the Probate Court will

appoint an administrator to oversee and manage your estate. The administrator’s duties can include distributing your assets and naming guardians for your children. Be aware that the administrator is guided by local laws, not your wishes, when he or

she makes decisions about your estate. The court may require the administrator to be bonded to ensure that he or she properly performs the required duties.

Your estate will pay the bonding fee, the administrator’s fees and other legal fees.

Don’t do it yourself.

Don’t be tempted to write

your own will. To be

valid, a will must com-

ply strictly with your

state law. That law

might require that a will

contain specific language

or be signed in a particular

way and have a certain number of

witnesses. Only about half of the states recog-

nize “homemade” wills. Even in these states, your

homemade will may not stand up in court if it con-

tains language which could be easily misunder-

stood. If a disgruntled family member attacks your

homemade will in court, he or she could have the

entire document declared invalid. If this happens,

your state would distribute your property as if you

did not have a will.

LIVING TRUSTS: Arranging How You Want Your Property Managed Before and After Your Death

A revocable living trust allows you to arrange how you want your property managed while you are alive and how your assets are to be distributed after your death. Revocable living trusts are popular because they are one way your property can pass to your beneficiaries without going through probate.

PLANNING FOR



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Revocable living trusts have certain things in common with wills, but they also have important differences. Like a will, a revocable living trust allows you to direct how and to whom your assets will be distributed after your death. You appoint a Trustee to manage your trust, just as an Executor would manage your will. The Trustee holds your assets and distributes them according to your instructions. Unlike a will, a trust can also be used to specify how your assets will be managed during your lifetime in case you become incapacitated.

PROBATE: DISTRIBUTING YOUR PROPERTY

Probate is the legal process through which the court makes sure that your property is distributed to your beneficiaries.

Probate takes place in the court of the city or county where you had your legal residence. Only certain types of assets—called probate assets—must go through probate. In some states the probate process can be completed in a short time; in other states the probate process may take from many months to several years.

Probate means to “prove” a will. During probate the court makes sure that the will bearing your signature is a genuine statement of how you want your estate to be distributed. The court also oversees how your probate estate is distributed to your bene-

ficiaries or heirs. (Beneficiaries are the persons or charities you have mentioned in your will or trust. Your heirs are the people the law says will receive your assets, should you die without a will or trust in place.)

In your will you have named an Executor who will manage and settle your estate. This Executor starts the probate process by presenting your original will to the court. If you don't have a valid will, the court starts the probate process by appointing an administrator for your estate. The court then notifies everyone with an interest in the estate that your assets are about to be distributed. Before the court will transfer assets to your beneficiaries or heirs, it must be satisfied that your estate has paid all of its bills and taxes.



“NOT ALL YOUR ASSETS WILL HAVE TO GO THROUGH THE PROBATE PROCESS...”

Not all your assets will have to go through the probate process in order to reach your beneficiaries or heirs.

There are assets that can be distributed directly to your beneficiaries or heirs. These assets include:

- Property you own jointly with right of survivorship
- Property in trust
- Assets that have a named beneficiary
- Life insurance proceeds
- 401(k) plan funds
- Pension funds
- Annuities

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Taking assets through the probate process costs money. Your estate will most likely be required to pay attorney's fees, appraiser's fees, court costs for filing papers, etc.

POWER OF ATTORNEY AGENTS

There is no such thing as a "standard" Power of Attorney. That is because this legal document is tailored to each individual's situation. Whether the document addresses the handling of your finances or making medical decisions for you when you are unable to make them (including what type of treatment you wish to receive or NOT to receive), the agent's role is to simply carry out the

"THERE IS NO SUCH THING AS A 'STANDARD' POWER OF ATTORNEY"

instructions and wishes that you have set forth in your document.

WHICH OPTIONS ARE BEST FOR YOU?

Deciding which tool is most appropriate for you and your assets depends on many factors. Why not check out the many options which allow you to benefit your family as well as those charities you hold dear? If you would like to know more about how these documents can take some of the uncertainty out of your estate planning, give a call to the toll free number listed

here, or complete and mail the coupon. You can get help in making this decision and you will also help the work of the great causes you value and love. ☎

- Please send me a confidential illustration of what a gift annuity can do for me.
- I would like to talk with someone about a planned gift or preparation of a will or a trust.

Name: _____

Address: _____

City: _____

State: _____ Zip Code: _____

Phone: (_____) _____

E-Mail: _____

Please mail this form to:

Trust Services
P. O. Box 7269
Westlake Village, CA 91359

I would like to work with a representative from:

- Arizona
- Central California
- Northern California
- Southeastern California
- Southern California
- Hawaii
- Nevada-Utah
- Pacific Union
- La Sierra University
- Pacific Union College

This publication is designed to provide general information about planning opportunities. It is not designed to provide tax, legal or other advice for a specific situation. Any examples provided are strictly for illustrative purposes and may not apply in your situation. The law in this area is highly complex and constantly changing. Even a slight variation in facts or a minor change in the law can impact the effectiveness of certain strategies. Advice from a qualified attorney and/or tax accountant should always be obtained before implementing any of the strategies described.

Gift Planning & Trust Services

Toll Free Phone Number
(877)-466-2819

E-mail plannedgiving@puonline.org **Website** www.willplan-puconference.org