

Six Steps to an Effective Will



Your will can reflect your life values as well as your concern for your loved ones, and still be a legally sound document that will efficiently distribute your estate.

Certainly, your will should be more than splitting your estate among your beneficiaries. It should be practical, carefully planned, and sensitive.

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

Make the Decision to Act Now

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

Procrastination is probably the major reason why so many Americans die without leaving a valid will. And the results are often tragic: loss of control over distribution of your assets, unnecessarily higher taxes, and other extraneous costs. Don't let this happen to you. 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.

Think in terms of your real objectives, leaving aside the means of accomplishing them. Indeed, write down everything you would like to provide through your will:

- 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, and jointly owned property, etc. even though these assets may not pass under your will.

STEP 4

Consult with Your Attorney

Talk with your attorney and get his or her advice about how to best accomplish your objectives.

Your attorney may recommend making lifetime gifts, leaving bequests in your will, or creating trusts that can benefit several persons or institutions. There are many techniques you can use to accomplish your specific objectives.

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 persons 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 carry out 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 may 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:

SOME IMPORTANT QUESTIONS

Have you coordinated your life insurance and retirement plan beneficiary designations with your will?

Have you considered employing a revocable living trust to hold all your assets, minimize probate costs, and provide privacy for your estate plan?

Have you arranged your affairs to provide an immediate source of income for beneficiaries who may need money right away?

Have you included a charitable bequest in your will to meet your philanthropic goals?

Have you designed your estate to minimize estate and/or inheritance taxes?

Have you thought about the possible reasons for including a trust in your will?

Have you considered lifetime gifts as an effective means of distributing a portion of your estate ahead of time?

If you would like more information about how charitable intentions can enhance estate planning, feel free to contact us. There is no cost or obligation.