

DON'T GO TO HEAVEN WITHOUT AN EARTHLY PLAN!

Countryside Bible Church

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Estate Planners

Today's Roadmap

- Importance of an estate plan
- Basic features of wills and trusts
- Stewardship distinctives for Christians

Why Bother with Estate Planning?

- State has a plan for your estate if you don't
- Heirs may unnecessarily incur taxes
- Court decides who raises your minor children
- Medical wishes may not be carried out
- Unnecessary stress on family

What is an Estate?

- Everything you own:
 - Your home
 - Other real estate
 - Personal belongings
 - Bank accounts
 - Investments
 - Insurance
 - IRAs and retirement benefits from your employer
 - Business interests

Purposeful Planning

- Appropriately transfers assets at death
- Provides for children's needs (especially if they are minors)
- Avoids unnecessary taxes
- Anticipates your incapacity
- Invests in your favorite charities

General Considerations

- What needs do your children have?
- How do you provide for your children?
- How much do you want to leave each child, or your children, as a group?
- Is charitable giving an important part of your legacy?
- What impact do you want to have on your family?
- What impact do you want to have on Christian organizations/your church?

Estate Planning Documents

- Will
- Trust
- Durable Power of Attorney
- Healthcare Power of Attorney and Advance Directive
- Beneficiary Provisions

Wills

- Govern the distribution of your personal property and assets held in your name
- Name guardians of minor children
- But, do not govern assets that pass by beneficiary designation (e.g., IRAs, PODs, life insurance)

Trusts

- Legal entities that hold assets
- “Living” or “Revocable” Trust is common estate planning tool
- Probate avoidance
- Make estate settlement simpler and easier
- More initial expense and ongoing administration effort

Family Distribution Options

- Outright in equal shares
- In Trust for lifetime (special circumstances)
- In Trust until youngest child is ___ years of age and distributed at age(s) ___, ___, and ___.

Durable Powers of Attorney

- Durable = effective during incapacity
- Names trusted person and alternates to act on your behalf for financial matters
- Revocable

Medical Care

- Advance Medical Directive
 - Instructions for end of life decisions
- Texas Medical Power of Attorney
 - Medical, mental, and end of life decisions

Other Estate Plan Considerations

- Letter to successors
- Tangible Personal Property Memorandum
- Contact information of relevant parties
- Inventory of assets and beneficiaries
- Digital and intellectual property assets

When to Review?

- Annual self-review
- Every 3-5 years
- Current Will from the internet
- Changes in situation and goals which require professional review
 - Move to new state for you, beneficiary, fiduciary
 - Family changes – marriage, separation, adoption, health, relational
 - Financial – employment, property, business, retirement, gifts
 - Charity – interests, goals
 - Legal issues – tax, complex assets

Our Perspective

- Estate planning is a ministry opportunity
- Christian giving should flow voluntarily from the heart and not from a fixed, mandatory percentage

Charitable Gifts in a Will or Trust

- Final act of stewardship and care
- Most common of planned gifts
- Model generosity to your loved ones
- Extend your impact beyond your lifetime

Non-Cash Assets

Increase your impact while reducing your taxes.

- Stock or marketable securities
- Real estate
- Business interests
- Farm commodities
- Life insurance
- Retirement benefits
- Tangible personal property

Charitable Distribution Options

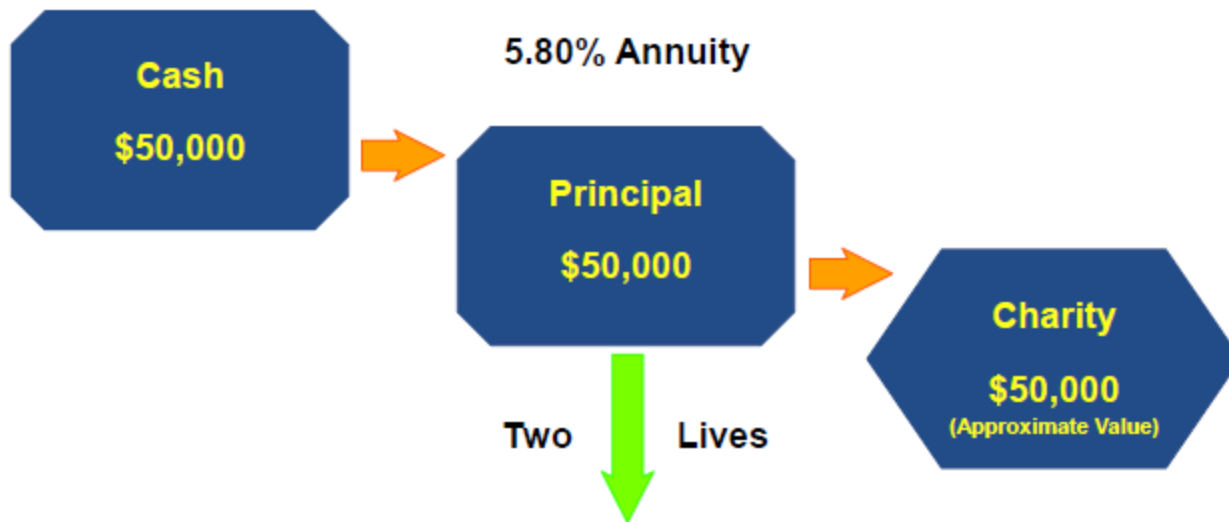
- On death of both spouses
- On death of both spouses and youngest child reaches age ____
- Distribution amount
 - 10%
 - Child named “Charity” (i.e. 3 children, add 1 more & divide estate into 4 equal shares)
 - Some other percentage

Income for Life

- E.g. Charitable Gift Annuity, Charitable Remainder Trust
- Give assets you no longer need or care to manage
- Receive income for life and a tax deduction at time of your gift
- Remainder benefits your favorite Kingdom cause
- Reduce capital gains tax when funding gift with appreciated assets

Charitable Gift Annuity

John - Age 79 Mary - Age 76



1. Gift property to charity. Donor receives contract for annuity payments. Income tax deduction \$20,081 may save \$4,418.

2. Annuity of \$2,900.00 for two lives. Tax-free amount \$2,050.30. Estimated two lives payout of \$53,360. Effective payout rate 7.6%.

3. Quarterly payments for two lives. Property passes to charity with no probate fees. There are also no estate taxes, if married.

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This educational illustration is not professional tax or legal advice; consult a tax advisor about your specific situation. See data sheets for assumptions.

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Stewards Fund (Donor-Advised Fund)

- Simple, flexible and tax-efficient opportunity with tremendous impact
- Give into one “charitable giving account”
- Receive an immediate tax deduction at time of your gift
- Recommend grants to one or more ministries, at a time that works best for you

Next Steps:

- Prayer
- Evaluate your current plan
- Consult your advisors as needed (CPA, Financial Planner, Attorney)
- Discuss charitable gifting opportunities with your church's Heritage Group
- Make appointment with local attorney to have documents drawn up

Have Questions?

Call 888.448.3040

or

Email

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THANK YOU!

About Barnabas Foundation

We help Christians make tax-wise decisions regarding the transfer of their financial resources, and we offer stewardship education and development for churches.