

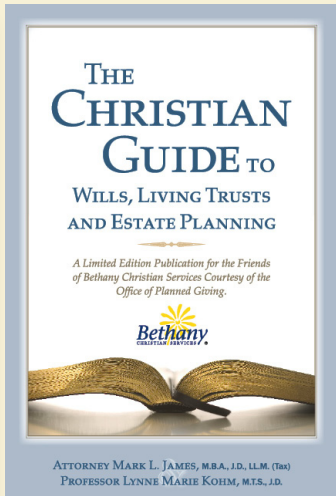
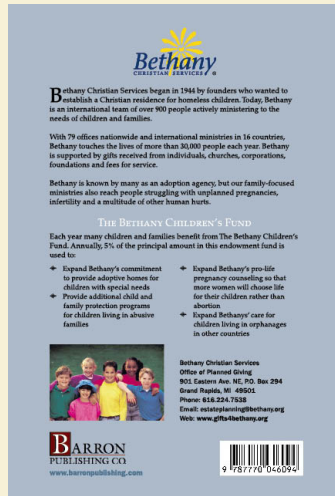
SUMMARY OF CONTENT

THE CHRISTIAN GUIDE TO WILLS, LIVING TRUSTS AND ESTATE PLANNING

Customized for your organization, our book is your best planned giving marketing tool!

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OVERVIEW OF CONTENTS

STEP 1

UNDERSTAND WHY CHRISTIAN ESTATE PLANNING IS UNIQUE: AN INTRODUCTION

TOPICS: God Owns All of Our Worldly Possessions (Regardless of How We Acquired Them!) ➔ How Stewardship Impacts Estate Planning ➔ We're Leaving Our Worldly Possessions Behind When We're Gone ➔ How Having an Eternal Perspective Impacts Estate Planning ➔ Christians Are Givers ➔ How The Law of the Harvest Impacts Estate Planning

There are three aspects of the Christian worldview that distinguish Christian estate planning from secular estate planning. Our objective is to help you understand why Christian estate planning is unique and to help you accomplish all God has for you in that process. This introduction discusses these three features and how they make Christian estate planning unique.

Stewardship, an eternal perspective and the law of the harvest are the three key aspects of the Christian worldview that distinguish Christian estate planning from secular estate planning. The Christian Guide to Wills, Living Trusts and Estate Planning emphasizes these three principles as it informs you how to plan your estate for an eternity of benefits. Our objective is to help you accomplish all God has for you in your estate planning. And we hope that when you are called home, you will hear the words, "Well done, good and faithful servant."

STEP 2

FIND AN ESTATE PLANNING ADVISOR

TOPICS: The Estate Planning Team ➔ Finding an Estate Planning Attorney ➔ Reasonable Fees for an Estate Planning Attorney ➔ An Overview of the Estate Planning Process

ESTATE PLANNING: A FORMIDABLE-SOUNDING ACTIVITY to many people. Confusing. Time consuming. Fraught with legal jargon and susceptible to the pitches of salespeople. Embroiled with emotion and family loyalties (and disloyalties) and reminding us of our mortality, our vulnerability and our eternal destiny. We know we'll take nothing from this world, but as believers, we also know we are stewards of what God has entrusted to us. And that is simultaneously a high honor and a

daunting task. It was daunting to the servants of the master in Jesus' parable of the talents in Matthew 25, but the two who acted with wise stewardship were honored and welcomed. You, too, can act as a wise steward of the assets and talents with which you have been blessed. That is what this book is all about.

Like many worthwhile activities, estate planning is a process and not an event. The process begins by retaining an attorney with experience in trusts and tax laws. Your preparation in defining estate planning goals and assembling other important team members, such as an accountant and life insurance agent, will ensure a smooth process. Never underestimate the importance of face-to-face meetings with your team and establish a set time every two or three years to monitor your plan and keep it up to date.

STEP 3

UNDERSTAND THE ESTATE PLANNING FUNDAMENTALS

TOPICS: A Comprehensive Approach to Estate Planning ✦ The Three Forms of Joint Ownership ✦ Nonprobate Assets and Who Pays the Taxes ✦ Postmortem Estate Planning: Electing Against the Will and Disclaimers

As Christians who've trusted in Christ's saving death on the cross as payment for our sins, however, we know we have a wonderful eternity to look forward to, and that motivates us to good works now in this life. Nevertheless, we don't relish the thought of death. Neither are we eager to envision ourselves mentally or physically incapacitated. Time marches on, and we must do our best with that over which we can exercise control. Planning our estate is one aspect where we can demonstrate forethought, consideration and financial wisdom for the people and organizations God has laid on our hearts to care about the most. Isaiah 32: 8 reminds us that a noble or generous man makes noble plans, and by those noble deeds he stands. Godly wisdom will assist in guiding you to make the best plans God has in store for you and your stewardship of the assets He's entrusted to you. This chapter will help you sort out the confusing part of estate planning and will assist you in your journey of making noble plans for your estate.

Before you can define what estate planning is, you must recognize the many assets that make up your estate. Once those assets are listed, you can identify if they are probate or non-probate assets. Then, you can determine if you have the proper beneficiaries designated and a clear understanding of what is

and is not governed by your will. As life situations change and as you may have had the input of several different professionals at different times, it's important to ensure that your plan is up to date, comprehensive and consistent with your goals. Where joint ownership is concerned, you can confirm that your wishes are carried out by having a clear understanding of the three types of joint ownership. Also, it is important to understand the benefits of the elective share rule and postmortem estate planning such as disclaimers. All the information covered in this chapter demonstrates how important it is to approach estate planning in a comprehensive manner. Doing so will allow you to make a careful plan that glorifies God and cares for your family.

STEP 4

STAY IN CONTROL OF YOUR ASSETS DURING LIFETIME

TOPICS: Management by Power of Attorney ✦ Healthcare Power of Attorney ✦ The Living Will ✦ Planning for Nursing Home Costs ✦ Long-Term Care Insurance ✦ Trusts for Family Members with Disabilities

Everyone of us, even as Christians, especially as we approach mid-life or suddenly realize we qualify for a senior citizen discount, wonders what will happen if we become incapacitated, either short term or long term. This chapter helps in understanding these very personal issues of estate planning with a perspective of stewardship over the body as a temple of the Holy Spirit, and stewardship over assets in the event of incapacity. Making these decisions from a biblical perspective allows you to honor God.

This chapter has been important in considering many aspects of our lives that are very important to God and that are critical to consider from a Christian worldview. It is important to plan for possible incapacity for the reasons presented here. In the event of your incapacity, your needs fall into two broad categories: managing your finances and your healthcare requirements. You must be sure that you have identified the trustworthy people that you want to handle your affairs — people that you trust to carry out your wishes. We know that none of us can predict the future. There is a strong possibility, however, that you or your spouse will eventually require skilled nursing care — either at home or in a nursing home. Planning for these costs now can greatly minimize the impact upon your estate. Planning for other family members that have disabilities is also wise stewardship. All of these concerns are opportunities to trust God and his guidance in planning.

CONTROL THE DISTRIBUTION OF YOUR ASSETS AFTER DEATH

TOPICS: The Eight Problems Solved by Wills ✦ Choosing Your Executor ✦ Special Needs Considerations ✦ Various Types of Trusts

YOU ARE BEGINNING TO SEE that the smallest bit of planning, like the planting of the mustard seed, when done in the power and wisdom of the Holy Spirit, will bring glory to God even after your death on earth. When that planning takes effect, you will be establishing a legacy. If you've read the earlier chapters and have not skipped ahead, you know that first you must approach estate planning with a knowledgeable team; then, you must ensure that nonprobate assets have the beneficiary designations you intend in order to align in practical terms with your will. Also, you understand the various types of ownership and what each means in terms of inheritance, and you have faced, steadfastly, the various issues surrounding incapacity. This sense of stewardship in even the smallest things is extremely important, and it makes a difference for the big things. God takes note of our attitude toward the small tasks. In Matthew 25:21, relating the parable of the talents, the master commended the servant for being faithful in the small things and then blessed him and entrusted him with bigger things. The next step, then, is to gain a solid understanding of how to control the distribution of your assets after your death. This chapter will focus on the finer points of creating your will as well as the pros and cons of trusts.

Wills are, and will remain, key estate planning tools. This chapter has covered eight advantages of using a will. It has also covered some disadvantages of wills, what to consider when choosing your personal representative, some special needs considerations and some types of trusts. Trusts can be as simple or as complex as the imagination or objectives of the grantor. Trusts are used in estate planning to provide benefits to the grantor by helping the grantor minimize or avoid taxation, maintain control over assets and avoid probate. A number of specialized trusts will be discussed further throughout this book. You can control the distribution of assets at your death with just the smallest bit of planning. Like the planting of the mustard seed, when done in the power and wisdom of the Holy Spirit, your plans can bring glory to God even after your death. When that planning takes effect, you will be establishing a legacy. Though it may be accomplished with just a little effort, yet when it grows it can offer the greatest of benefits to those people and ministries you love.

CONSIDER USING A LIVING TRUST

TOPICS: Living Trusts ✦ The Eight Primary Challenges Solved by Living Trusts ✦ The Operation & Tax Treatment of Living Trusts ✦ Disadvantages of Living Trusts ✦ Various Types of Living Trusts

BEING A GOOD STEWARD OF THE WEALTH with which God has blessed you, no matter how small or how great, is one of the most important objectives you can have in life. It is even more important to be certain you are storing up your treasures in heaven, keeping an eternal mindset in your daily life, acting to make a difference in eternity in both word and deed. Your wealth will not last forever on earth, but it can be used to help you make a difference for eternity. As a wise steward, store up treasures in heaven by using your time, talents and resources for God's kingdom. As Jesus said, your treasure is where your heart is. Storing up those treasures in heaven wisely is of critical importance in eternity, and your estate plan is the final opportunity you have to exercise such stewardship. The living trust may be a tool you will find particularly useful as you seek to place your treasure where your heart is. It is not, however, a tool to be used lightly.

Living trusts may be the most misunderstood of all estate planning documents. They are sold by telemarketers, direct mail, seminars, Internet Web sites and door-to-door salesmen. Unfortunately, this mass-marketing approach has resulted in more misunderstanding about living trusts than positive education. The role of the attorney on the estate planning team — one who is knowledgeable about living trusts — is critical when it comes to preparing living trusts. You are well advised to secure the assistance of an attorney for the preparation of the legal documents that affect your assets.

It is possible that a living trust may not work to your advantage. There are many circumstances in which a well-crafted will and durable power of attorney will be sufficient, but only a qualified attorney should advise you on this matter. This chapter will explain the benefits of living trusts. If a living trust is to be part of your estate plan, the various benefits we are about to discuss will motivate you to take action.

As you can see, probate avoidance is not the only reason to give the living trust serious consideration. That is only one of many benefits that this estate-planning tool can provide. A trust is a flexible and fluid way to continue your stewardship as directed in your trust, even in the event of your incapacity and eventual death.

A trustee must be chosen carefully and prayerfully, but the use of a trust can bring great peace of mind and assurance in the continued management of your estate. Remember that where your treasure is, that is where your heart will be also. Using a living trust to accomplish your estate plan may be the best method for you to exercise the wisest stewardship.

STEP 7

INCLUDE YOUR RETIREMENT PLAN AND IRAs IN YOUR ESTATE PLAN

TOPICS: The Basic Types of Retirement Plans ➤ Taxes That Affect Retirement Plans and IRAs ➤ Retirement Plan Distributions during Lifetime & after Death ➤ Naming Retirement Plan Beneficiaries

It is quite likely that you have worked hard to preserve funds for your retirement. Yet, you know that all those provisions have really come from God, and all your wise stewardship in saving and planning for retirement will be used to supply you and provide for all your needs. If you have been faithful in your tithing and saving strategies, you realize how blessed you are to have planned for retirement. God honors that stewardship and will not only supply and increase your stores, but will enlarge your harvest of righteousness. If you are just beginning to plan for retirement with a savings strategy, this is a great time to consider that planning as an aspect of your Christian stewardship. Just as God provides for our daily provisions, so also will He help you in planning for your retirement needs. Understanding how your retirement planning strategies fit in with your estate planning strategies is of utmost importance. In fact, it is extremely helpful to view your retirement planning as a major component of your estate planning. This chapter will thoroughly explain all the appropriate distinctions and help you to see how they all fit into your wisely designed estate plan.

Whether you are new to retirement planning or have been carrying out a solid strategy for many years, you now understand how important your retirement planning is to your estate planning. Your strong desire to be a good steward will be reflected in the legacy you are able to create. Many people forget to consider their retirement plans and IRAs when doing estate planning. The importance of coordinating the beneficiary designation on your retirement plans and IRAs with your estate plan cannot be overstated. In addition, with the number of taxes involved with retirement plan benefits, distribution during both lifetime and after death should be carefully considered. Faithfulness in retirement planning is a solid foundation

for estate planning. God honors that stewardship and will not only supply and increase your stores, but will enlarge your harvest of righteousness. Even if you are just beginning to plan for retirement, this chapter has encouraged you to consider how that planning fits in with your estate planning strategies as an important aspect of your Christian stewardship. God, who has always supplied your needs, will “also supply and increase your store of seed and will enlarge the harvest of your righteousness.”

STEP 8

HOW TO REDUCE THE FEDERAL ESTATE TAX

TOPICS: Who Must Pay the Federal Estate Tax? ➤ Estate Tax Rates ➤ Estate Tax Deductions and Credits ➤ An Overview of the Gift Tax ➤ Five Key Strategies to Reduce or Eliminate the Tax

The Pharisees resented the idea of paying taxes to Rome, but the Herodians supported it. Neither side, however, understood a proper perspective on taxes. Rather than choosing political sides, Jesus used the opportunity to challenge the disputants to acknowledge God’s ultimate authority in their lives, while also recognizing human government. God is over all things and has placed governments in authority over us to carry out His will (see Romans 13:1-7 and I Peter 2:13-17.) Our highest allegiance, however, is always to God. He alone deserves our worship. When Jesus suggests giving to Caesar what is Caesar’s, He’s referring to how money is merely a tool created by God to carry out His will. Of most importance, however, is more than money — our very lives. Our hearts, minds and souls are what God really wants from us. How interesting it is that God would use the duty to pay taxes to remind us of the most important thing we can offer to God — indeed the duty to give Him our very lives. Jesus’ teaching on paying taxes can also be found at Mark 12:13-17 and Luke 20:20-26, indicating how strongly this subject matter affected the gospel writers and how they were inspired of its importance to God. The duty to pay taxes can sometimes cause duplicity, or even hypocrisy, but if legitimate taxes are owed, Christians and all people have a duty to pay them. This chapter discusses in depth not only tax explanations but also tax strategies to offer a responsible sense of godly stewardship to our duties as citizens. As you offer God your entire life, He provides joy and wisdom even in tax concerns. And as you will see, sometimes government leaders and the duty to pay taxes are God’s tools for His good plan for us.

This chapter began with a discussion of Matthew 22 and how Jesus used a tax lesson to encourage people to give their lives to God. That entire passage is in the context of eternity and keeping a proper focus. Estate tax planning offers opportunities for wise stewardship and keeping that perspective among your priorities. Although the federal estate tax has a rate as high as 46% on estates over \$2,000,000 (in 2006, 2007 and 2008), we have seen five fundamental strategies that can be used to minimize the effects of this tax. Each strategy not only allows you to keep godly priorities but also to exercise foresight and wisdom in making sure your estate passes with maximum benefit to those you love and appreciate. More planning opportunities are available to those who are married, although single taxpayers have a number of planning strategies as well. The wisdom used in estate tax planning can be a valuable legacy for your entire family. This chapter discussed in depth tax explanations and tax strategies that offer a responsible sense of godly stewardship to our citizenship obligations. As you offer God your entire life, He provides joy and wisdom even in tax concerns.

STEP 9

CHANGE THE WORLD WITH CHARITABLE ESTATE PLANNING

TOPICS: Gifts That Give Back ➤ Charitable Remainder Trusts ➤ Pooled Income Funds ➤ Foundations ➤ Donor-Advised Funds

God's promises regarding giving apply to your stewardship in charitable estate planning. Christians are encouraged in II Corinthians and elsewhere throughout scripture to choose a standard of giving that allows for generous dispersion of your "seed," the wealth God has entrusted to you. Remember that this is called the law of the harvest. Sowing generously allows

for your harvest of righteousness to be that much greater. How exciting to be blessed with the opportunity to give! God has blessed each of us with the ability to turn our wealth into generous giving on every occasion, and a most important occasion is your estate plan. Your charitable estate planning can have a kingdom impact on this present world and on eternity.

We have purposely placed the material regarding charitable estate planning in the final chapter of this book. In this chapter, we have thoroughly considered the legal and technical aspects of gifts and charities.

The more important consideration, however, is that of preserving and transferring your values to succeeding generations. "Train up a child in the way he should go, and when he is old he will not turn from it" (Proverbs 22:6). You can establish a legacy of charitable giving with your estate plan; as a result, your children and their children in generations yet to be born will be heirs of that inheritance of generous giving. The many strategies presented here combine with attractive tax benefits to make charitable estate planning an exciting pursuit. When Paul said farewell to the Ephesians in Acts 20:35, he reminded them of things that Jesus Himself had said, encouraging them to give with exceeding joy, just as he had done. "In everything I did, I showed you that by this kind of hard work we must help the weak, remembering the words the Lord Jesus himself said: 'It is more blessed to give than to receive'." Great love for God motivates Christians today to choose to give. Making charitable giving the center of your estate plan multiplies benefits back to you and to your family. It allows you to change the world both now and eternally. Rather than sow sparingly, this chapter has explained how and why to sow generously. May your charitable estate planning be multiplied, here on earth and in eternity.

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