

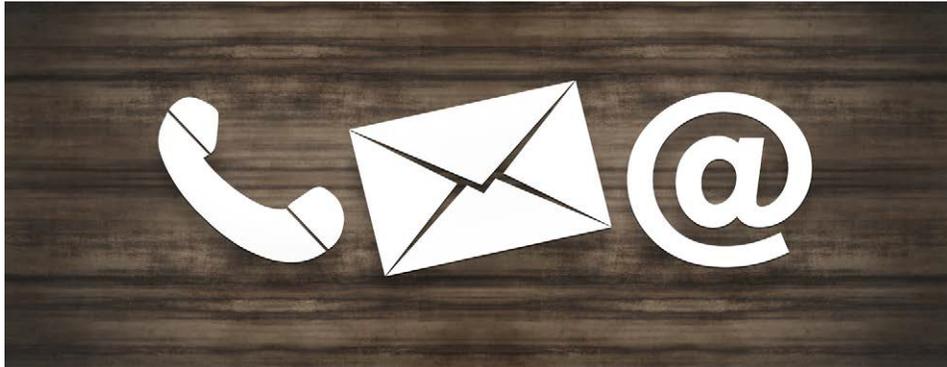


Georgia Baptist
Foundation

Faithfully Stewarding

A Biblical Estate Preparation Guide





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The following is provided to you as information only and is not formal legal or tax advice. Please consult the legal/tax professional of your choice for formal advice for your specific situation.

Introduction

Welcome to Faithfully Stewarding - A Biblical Estate Preparation

Guide. We are very pleased that you are taking steps to protect those you love through an updated estate plan. A plan is important, but an estimated 70% of Americans don't even have a will. This guide will help you by making the process easy and understandable.

What are the benefits of an estate plan?

Peace. An estate plan is designed to help you provide for those you love and protect both you and your family.

Provision. You have spent most of your lifetime gathering assets and making plans. But many people spend more time planning their vacation than planning their estate. With a good estate plan you can give loved ones the property you have acquired in the right way, at the right time and at minimum cost.

Protection. In addition, a good plan will provide for you in your senior years. It may be important to designate a specific person to manage your property, help doctors and other medical staff with important decisions and make certain that you are receiving the best possible care. An estate plan can increase your lifetime security and also achieve your goals for family and ministry.

Spiritual Legacy. 1 Chronicles 29:11-12 clearly illustrates God's ownership of all. An estate plan acknowledges that ownership helps to prepare the next steward and ensures that your final act on earth is one of good stewardship.

What good things happen with a will?

With an updated will, you can transfer specific property or assets. In addition, you will be able to direct the residue of your estate. For those with larger estates, there could be substantial estate tax savings. In addition, you know that the executor or personal representative that you select (not the one a probate judge chooses) will be managing your property. A good will can carry out your plan and save thousands of dollars while transferring property quickly and inexpensively to your loved ones.

What is accidental disinheritance?

Too many times, the "wrong" persons end up receiving property.

An “accidental disinheritance” occurs if you either have no will or the will doesn’t function properly. Sometimes a will is unclear and the estate goes to distant relatives or is simply paid to CPAs and attorneys who are representing family members fighting over the estate. You can avoid an “accidental disinheritance” by creating a good plan to protect your loved ones.

Can I use my estate plan to create a Christian legacy?

Everyone wants to have a life with meaning. Part of that meaningful life is to live on in the memory of family and friends. A good estate plan can indeed create a legacy for family and Kingdom ministry that gives added meaning to your life.

But another part is to use property the Lord entrusts to your care to lift up those in need. Paul spoke to those in Corinth and said,

“Now he who supplies seed to the sower and bread for food will also supply and increase your store of seed and will enlarge the harvest of your righteousness. You will be made rich in every way so that you can be generous on every occasion.” 2 Corinthians 9:10-11 (NIV).

Your estate is a wonderful opportunity to bless others in need with a portion of your lifetime “increase” in property.

Pray and ask the Lord for guidance about leaving a gift to benefit the ministry of your church.



Estate Planning Documents

There are three basic steps in the estate planning process.

1. Write Down What You Own. As a Christian, you naturally want to be a “good and faithful servant” with your property. An important first step is to understand what property you own and what property will be transferred through your estate. Even though in Job 41:11 the Lord says that, “Everything under heaven belongs to me,” (NIV), you have been given responsibility to manage and decide where it will be given.

We have included an Estate Preparation Worksheet which will be helpful for this purpose.

2. Know How Property is Transferred. Some property is transferred by will and some by a beneficiary designation or other form. You need to know how your property will be transferred in order to avoid an accidental disinheritance. With a good plan, your property may be transferred as you desire. The attorney will review this during your family interview.

3. Sign Your Will and Medical Directives. Finally, it is important to sign the documents that express correctly your will and desires, both for your property and for your potential future personal care.

BASIC PLANNING DOCUMENTS

Let’s start by reviewing the three basic estate planning documents — a will, a durable power of attorney for finances and living will / healthcare surrogate.

Current Will

Your will is a written document, signed by you and by two witnesses. If the will is believed to be authentic by the probate court, it is used to determine the distribution of your property. If the will is not valid or you do not have a will, the court will follow state law for those without a will. Many of the court decisions might be completely contrary to your desires.

For example, without a valid will a judge might choose guardians for your minor children, select trustees to manage your property and even award property to your distant relatives. The actions of this judge may be completely contrary to your desires.

With a valid will, you are able to choose who will inherit your property and who will administer your estate as executor or personal representative. If you have minor children, you can choose a person to

raise your children. With a trust, you are permitted to decide who will manage the trust for family members.

A valid will is an essential part of transferring your property at the right time to the right people at the lowest cost. Without a valid will, costs, delays and the probability of expensive conflict increases. You can provide a wonderful legacy for family with an updated will and a sound estate plan.

An Estate Preparation Worksheet is provided to help you communicate your wishes to your attorney. This will save the attorney time which should save you money! If you do not have an attorney you might consider using one of the Christian attorneys in our referral file. Estate Planning and Estate Tax is their primary practice. Some attorneys offer discounted fees which may result in a savings of up to 70%.

Durable Power of Attorney for Finances



You probably are a very good financial manager. As long as you are able to manage your affairs, things will be fine. However, there may come a time when you are in poor health or perhaps in the hospital. While lying on your hospital bed, you do not want to worry about your property being neglected.

A durable power of attorney is the solution that protects your property and yourself.

If you are no longer able to manage your property, the person that you select in this durable power has the right to act as your agent. Even if you are disabled or incapacitated, this person will have the legal right to manage your property. If you do not have a durable power of attorney, it will be necessary for the court to appoint a conservator.

The court may select any person as conservator and there often will be expensive reports, audits and costs in the management of your property. If you sign a durable power of attorney for finances, the person that you select may manage your property without all the expense of a court-appointed conservator.

You may record your choice for Power of Attorney at the bottom of page 2 of the Estate Preparation Worksheet.

Living Will / Healthcare Surrogate

There are two general types of healthcare directives — a durable power of attorney for healthcare and a living will. In Georgia, they are combined into one document .

The healthcare surrogate allows you to select a person who can assist your doctors in making healthcare decisions while you may be incapacitated. You may have a serious medical condition and the doctor will need the advice of another person regarding the best possible care for you. Your designated holder of the durable power of attorney for healthcare can help the doctors ensure that you have that high quality care.

The living will is a second document (in most states) and covers the time before your probable death. In the last days and weeks of life, there are a number of decisions regarding care, nutrition, hydration and resuscitation that need to be made. The living will gives you the opportunity to offer recommendations to medical staff about the types of care to be provided to you at that time.

You may record your choice for Healthcare Power of Attorney (also known as Healthcare Surrogate or Healthcare Proxy) at the bottom of page 2 of the Estate Preparation Worksheet.

YOUR BENEFITS WITH OTHER PLANNING

Living Trusts

If you have a moderate or large estate, you may find it desirable to create a living trust. The living trust is completely within your control during your lifetime. You can add property to the trust or remove property from the trust at any time. During your lifetime, the trust income is taxable to you.

There are at least three major benefits of the living trust. If you are sick or in the hospital, your designated successor trustee can take over and manage your property for your benefit. Second, when you pass away, the property in the living trust will avoid probate and potentially save thousands of dollars in costs. Third, the living trust typically is a private document and is not made public during the probate process.

After reviewing your completed Estate Preparation Worksheet, the attorney may recommend a living trust.



Custom Estate Plan for Business, Investments or Child with Special Needs

If you own a family business, substantial real estate holdings or a large estate, then a custom plan that considers your special property goals and requirements should be created. Another custom plan option is important if you have a child with special needs. A child with special needs may be provided for through a "special needs trust." A special needs trust will facilitate care of the child by providing resources and directions. In some cases, a child may qualify to receive federal or state benefits if that is helpful in providing care for a child with special needs.

You may record your wishes concerning a "special needs" child on page 2 of the Estate Planning Worksheet.

IRA, 401(k) or Other Retirement Plan

Your IRA, 401(k) or other retirement plan is transferred by a beneficiary designation. Normally, the beneficiaries should be named on the IRA, and it should be given directly to family or charity, and not to your estate. The IRA or 401(k) custodian should provide a form for you to select a primary and contingent beneficiary. Because your retirement plan may represent a major portion of your property (30% to 70%), your beneficiary designation should be reviewed every two to four years.

Life Insurance

Life insurance is usually permanent (whole life or universal life) or term. The insurance policy is a contract, and there is a beneficiary designation form. You will select the primary and contingent beneficiary to receive the life insurance proceeds if you pass away with a valid insurance policy.

Charitable Remainder Trusts

A charitable remainder trust is an excellent way to benefit yourself, your spouse or other family members. It combines substantial tax savings with the ability to produce income for you or your family members. Charitable remainder trusts are especially helpful for individuals who retire and would like to sell land or stock tax free and receive a generous income.

Charitable Gift Annuity

Many of our friends, especially those age 70 and above, are very



interested in fixed payments from a charitable gift annuity. If you fund a gift annuity, you receive a substantial income tax charitable deduction and fixed payments for life. A gift annuity may pay for one life or for two lives. For a husband and wife, the payments will last until both have passed away.

Ministry Endowments

Another option that you may prefer is to leave property or money in an endowment form so that the ministry does not spend the principal. Instead, the ministry pays the endowment income (as often the donors have done all of their lives). Endowments may be left to community or religious foundations, or often directly to the charity with instructions as to their use. It is often helpful to suggest a general purpose for the endowment fund because it will last perpetually, and the original purpose for the gift may one day not exist. If you are interested in an endowment approach to your charitable gifts, please contact us.

If you have questions about Charitable Remainder Trusts, Gift Annuities or Charitable Endowments you may contact the Georgia Baptist Foundation and one of our Estate Stewardship professionals will provide assistance without cost or obligation. See contact information on page 2.



Stewarding Perspective



**Georgia Baptist
Foundation**

GBFOUNDATION.ORG

6405 SUGARLOAF PARKWAY
DULUTH, GA 30097-4092
800.452.9064



**Georgia Baptist
Foundation**

File No: _____

Date: _____

Estate Preparation Worksheet

Mr. Dr. Rev. _____

DOB: _____ No. of Marriages: _____

Occupation: _____ SSN: *(To be requested later if necessary)*

Miss. Ms. Mrs. Dr. _____

DOB: _____ No. of Marriages: _____

Occupation: _____ SSN: *(To be requested later if necessary)*

Marriage Status:

Married Divorced Widowed Single Separated Engaged

If widowed, please provide former spouse's date of birth: _____

CONTACT DETAILS

Street: _____ County: _____

City: _____ State: _____ Zip: _____

Home Phone: _____

His Phone: _____ Her Phone: _____

His Email: _____ Her Email: _____

FAMILY DETAILS

(Please list all children, living or deceased, from this and prior marriage(s), whether or not they will receive from your estate. Omitted children can contest a will.)

| Children Names: | His / Hers / Ours: | Age: |
|-----------------|--|-------|
| _____ | <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> | _____ |
| _____ | <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> | _____ |
| _____ | <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> | _____ |
| _____ | <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> | _____ |
| _____ | <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> | _____ |

Do you plan to have more children? Yes No

1. After the death of both you and your spouse, who would you appoint to have physical custody and care over your minor children?

Guardian 1: _____

Guardian 2: _____

2. Who would you appoint to manage and distribute any property received in trust for your minor children?

Trustee 1: _____

Trustee 2: _____

3. Who will collect your assets, pay the debts and expenses of your estate, and distribute your remaining property?

Is your spouse your personal representative? Yes No

(Please name alternates below in the event your spouse is unable to serve.)

His 1st Alternate: _____

Her 1st Alternate: _____

His 2nd Alternate: _____

Her 2nd Alternate: _____

4. Who would make health care decisions on your behalf if you were incapacitated?

Is your spouse your surrogate health care representative? Yes No

(Please name alternates below in the event your spouse is unable to serve.)

His 1st Alternate: _____

Phone Number: _____

Street Address: _____

City: _____ State: _____ Zip: _____

Her 1st Alternate: _____

Phone Number: _____

Street Address: _____

City: _____ State: _____ Zip: _____

His 2nd Alternate: _____

Phone Number: _____

Street Address: _____



City: _____ State: _____ Zip: _____

Her 2nd Alternate: _____

Phone Number: _____

Street Address: _____

City: _____ State: _____ Zip: _____

5. Who would continue your day-to-day business, pay bills, etc. if you were incapacitated?

Is your spouse your Power of Attorney? Yes No

(Please name alternates below in the event your spouse is unable to serve.)

His 1st Alternate: _____

Phone Number: _____

Email: _____

Street Address: _____

City: _____ State: _____ Zip: _____

Her 1st Alternate: _____

Phone Number: _____

Email: _____

Street Address: _____

City: _____ State: _____ Zip: _____

His 2nd Alternate: _____

Phone Number: _____

Email: _____

Street Address: _____

City: _____ State: _____ Zip: _____

Her 2nd Alternate: _____

Phone Number: _____

Email: _____

Street Address: _____

City: _____ State: _____ Zip: _____



Do you have any specific estate planning concerns?

DISTRIBUTION OF YOUR ESTATE

It is assumed unless you indicate otherwise that your entire estate will pass to your spouse, if surviving.

Will you be passing you entire estate to your spouse or church where you are a member or active at the time of my death?

Please describe below your desired distribution after both husband and wife are passed.

1. Personal effects and household furnishings to be distributed:

- by separate list attached to will/trust
- at discretion of personal representative
- to children in equal shares as they choose
- as follows: _____

2. Specific Charitable Bequest(s) of cash or property:

Which ministries or charities do you desire to leave a bequest to upon your death?
(Example: 10%, a tithe of your estate, or \$xxxx?)



If you have chosen to make a charitable gift, do you want us to inform the charity?

Yes No

3. Specific Non-Charitable Bequests of cash or property: (to specifically named person or persons)

4. The Rest and Residue of my estate:

A. _____ % to my children in trust for their care support, maintenance and education. Trust terminates when youngest reaches _____ years of age, or when, in the opinion of the trustee, has completed education.

At termination of the trust, remaining trust property passes:

(1) _____ % or \$ _____ to _____, and/or other named ministries/charities

(2) _____ % to the children in equal shares. In the event any child predeceases me or does not survive termination of the trust, their portion shall pass:

_____ per stirpes (the property will pass through the generation i.e., to your children's children)

or _____ per capita (the property will pass only to the surviving of your children)

B. _____ % to _____

C. _____ % to _____

D. _____ % to _____

E. _____ % to _____

(Note: The percentages listed above for distribution of the rest and residue of your estate must add up to 100%! Please list additional information in the NOTES section at the bottom of page 3 or by attaching additional pages to this form.)



Include IRA Conduit Language in Revocable Living Trust (RLT)? Yes No

Include Christian testimony preamble? Yes No

Who is able to invest in margins, futures, options? Yes No

Do any beneficiaries have special needs (i.e. incapacitated, handicapped, in nursing home or in-home care, receiving SSI, Medicaid or other benefits that may be jeopardized by inheritance)? Please describe:

In the event of the simultaneous death of you, your spouse and your children, or if none survive you, or none survive termination of any trust set forth in your will, and have left no issue, to whom would you distribute your estate?

(1) _____ % or \$ _____ to _____ , and/or other named ministries/charities:

- (2) _____
- (3) _____
- (4) _____
- (5) _____

Is your individual gross estate valued at over \$11,200,000, or \$22,400,000 jointly?

Yes No

If you are married, is your real property titled as Joint Tenants with Right of Survivorship?

(Please provide a copy of your Warranty Deed so we may review this with you.)

Yes No

Do you own real estate in any state other than your state of residence? Yes No

(If YES, please provide a copy of the Warranty Deed and tax ID number for each piece of property in which you have an ownership interest, including your residence, time shares, vacation home, vacant lot, etc.)



Please attach additional sheets as necessary to provide all the information requested.

BILLING Estimated Fee: \$ _____

ASSET INVENTORY

(This information is collected to determine if you require Federal and/or State estate tax avoidance planning.)

| ITEM | VALUE | DEBT | HIS / HERS / JOINT W/WHO? | | |
|------------------------|----------|----------|---------------------------|--------------------------|--------------------------|
| Primary Residence | \$ _____ | \$ _____ | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Other Real Estate | \$ _____ | \$ _____ | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Time Share Interest | \$ _____ | \$ _____ | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Personal Belongings | \$ _____ | \$ _____ | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Automobiles | \$ _____ | \$ _____ | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Collectibles | \$ _____ | \$ _____ | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Cash & CDs | \$ _____ | \$ _____ | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Stocks & Bonds | \$ _____ | \$ _____ | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Business Assets | \$ _____ | \$ _____ | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Life Insurance (his) | \$ _____ | \$ _____ | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Life Insurance (hers) | \$ _____ | \$ _____ | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Pension Plan/IRA (his) | \$ _____ | \$ _____ | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |



| | | | | | |
|----------------------------|----|------|--------------------------|--------------------------|--------------------------|
| Pension Plan/IRA (hers) | \$ | \$ | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Personal Loans/Receivables | \$ | \$ | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Other | \$ | \$ | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Other | \$ | \$ | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Other | \$ | \$ | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| TOTALS | \$ | — \$ | = \$ | | |

(Networth)

DEEDS

(Only needed for RLT preparation)

Street Address: _____

County: _____

City: _____ State: _____ Zip: _____

Purchase Date: _____ M/P _____

Grantor: _____ Deed Book _____ , page _____

Street Address: _____

County: _____

City: _____ State: _____ Zip: _____

Purchase Date: _____ M/P _____

Grantor: _____ Deed Book _____ , page _____

Street Address: _____

County: _____

City: _____ State: _____ Zip: _____

Purchase Date: _____ M/P _____

Grantor: _____ Deed Book _____ , page _____

