

A bequest can perpetuate your annual gift

Suppose your annual gift to your parish or the diocese is \$2,500. A bequest of just \$50,000 can be endowed so that it annually distributes \$2,500 (5 percent of the original gift) to support our work. Even a small bequest to an endowment can have a significant impact on funding our important programs year after year. Ask us about endowment opportunities available at this time.

Selecting the Executor of Your Estate

Many people name their spouse or a child as executor of their estate. Unless the estate is large or complex, this is generally a good decision. (In actual practice, much of the work is done by the attorney.) However, depending on the nature of your estate, there may be good reason to nominate a friend as your executor, or to name a bank or trust company to settle your estate.

In choosing an executor, keep in mind that settling an estate can be a complex and demanding task. Assets must be collected and preserved, claims must be settled, debts collected and tax returns filed. The will must be probated, and court proceedings are essential. In most cases, all this is accomplished in one or two years, an accounting is filed, the estate is distributed to your designated beneficiaries and the executor is discharged.

It is important to make sure your executor has the power and authority needed to settle your estate. This can be a technical area of will planning, and you should rely on your attorney to arrange the appropriate powers and authority for your executor.

The Art of Planning an Effective Will

There are five basic steps that generally should be taken in making a new will or reviewing an existing will.

- *First:* Make a detailed inventory of your estate, a comprehensive listing of assets and liabilities, including personal effects. Note the income each asset produces and other characteristics of each asset.
- *Second:* Make a list of your objectives in terms of what you want to accomplish rather than how much each person will receive. For example, you may want to provide financial security for your spouse and a college education for your grandchildren.
- *Third:* Seek legal advice as to how your estate can be arranged to accomplish your objectives. Trusts, bequests and lifetime gifts may be part of your plan.
- *Fourth:* Make your own decisions. It is your estate and you have a right to distribute it as you wish.
- *Fifth:* Communicate your decisions to your attorney so the attorney can draft a will that accomplishes your objectives.

The Final Word

Traditionally, wills were very personal documents. People often emphasized their personal philosophies and explained the motive behind each bequest.

In a way, the pendulum has swung in the other direction. Many people use “boilerplate” wills that are largely impersonal. Of course, there is nothing wrong with an impersonal will that clearly sets out what the testator wants. But, something can be said for leaving a warm and solemn message to family and friends.

If you have something important to say to your loved ones, you could write what is called an “ethical will”—a document that outlines the important values you embrace. Please note that an ethical will has no legal effect.

Another (more tangible) way to leave a legacy is to include a charitable bequest. Leaving a gift to charity makes a difference in your community. We can help you plan a bequest that meets your personal philanthropic goals in a meaningful way.

Legal Language for a Charitable Bequest

I give to the Roman Catholic Diocese of Fort Wayne-South Bend, Inc., P.O. Box 390, Fort Wayne, Indiana 46801, the sum of \$_____ (dollars) or _____%(percent) of my estate for _____(intended purpose).

For additional information, please contact the Catholic Community Foundation of Northeast Indiana:

Stewardship & Development
Diocese of Fort Wayne – South Bend
St. John Paul II Center
1328 West Dragoon Trail
Mishawaka, Indiana 46544

stewardship@diocesefwsb.org
South Bend: (574) 258-6571
Fort Wayne: (260) 399-1405

Tax information provided herein is not intended as tax or legal advice and cannot be relied on to avoid statutory penalties. Always check with your tax and financial advisors before implementing any gift plan.

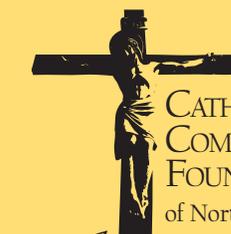
WHY WE ARE RESPONSIBLE

We must be firm believers “able and ready to help the newly baptized—child or adult—on the road of Christian life. [Our] task is a truly ecclesial function. The whole ecclesial community bears some responsibility for the development and safeguarding of the grace given at baptism” (*Catechism of the Catholic Church*, 1255).



Planning Your Will

Charitable bequests and
your personal legacy



Investing in the Work of Christ

Planning Your Will—Charitable Bequests and Your Personal Legacy

Your will is a unique document. During your life it lies “dormant.” You can change or revoke it and it has no effect on your financial, business or social situations. But at death, your will becomes tremendously important. It will be submitted to a court. When the court accepts your will as valid, its terms will control the disposition of assets you have accumulated through a lifetime of effort.

Certainly, your will can have a profound effect on the financial well-being of family members, friends and charities. It will be a permanent reflection of your Christian stewardship and your love and concern for family, friends and community. A will is one of the most important documents you will execute during your life.

Will Planning Basics

Key elements

Whether your will is simple or complex, it is—first and foremost—a legal document. To be effective it must meet the requirements of state law. Even a small mistake in the drafting, execution, or witnessing of your will can make it completely invalid and ineffective.

Secondly, your will can—and should—be much

more than a cold, sterile legal document. A will can be a final message reflecting your personal beliefs, a way of leaving a lasting legacy by which others remember you.

Most importantly, your will should be practical. Your will is the means to accomplish your objectives, meet the needs of your beneficiaries and permit an efficient and economical settlement of your estate.

Legal requirements

Although every state has different rules, the typical requirements of a valid will are:

- The will should be in writing and signed by the testator—the person executing the will.
- The testator must be mentally competent at the time the will is executed.
- The testator must sign the will in the presence of two disinterested witnesses and must affirmatively state to these persons that the document is his or her last will and testament.
- Each witness must sign his or her name (usually in the presence of each other and the testator), to affirm that the testator did sign the document and acknowledge it as his or her last will and testament.

Moving out of state

Many states will admit a will to probate if it meets the requirements of the laws of the state in which the testator resided at the time the will was executed. But some states will not recognize certain types of wills or wills executed in a certain manner. Remember, there may be different rules that apply depending on where a person resides, where a person actually dies or where property is actually located (e.g., a vacation home in another state). It is definitely a good idea to check with a local attorney to be sure your will and estate plan remain intact.

Amending and revoking

Your will can be changed easily and inexpensively by executing a “codicil”—a separate document that is executed with the same formalities of a will. In most cases, a codicil is used to make minor modifications to an existing will. The old will remains intact and is simply amended by the codicil.

If you need to make major changes you’ll probably want to execute a completely new will. Usually, a new will automatically revokes all previously executed wills, but it is prudent to explicitly state in your will that all former wills are revoked.

The Role of the Charitable Bequest

Including charitable bequests in your will is a way to demonstrate and sustain your personal legacy of caring and giving.

Most popular forms of bequests

Chances are good that your present will leaves specific sums of money to one or more designated beneficiaries and then directs that all the rest of your estate be divided among other designated beneficiaries. Here are the most common forms of bequests.

- **Percentage of value:** A “percentage-of-estate-value” bequest allows all beneficiaries to share in increases or decreases in the value of the estate after the will is executed.
- **Contingent bequests:** What will happen if a beneficiary named in your will dies before you? Your bequest may go to an unintended relative or “lapse” and pass to your residual estate. Either way, your objectives may be frustrated. The best approach is to name contingent beneficiaries to take a bequest if the primary beneficiary predeceases you.
- **Specific bequests:** In appropriate cases, your will can bequeath specific real or personal property to a beneficiary. Keep in mind, however, that if the property is not in your estate at the time of your death, the bequest may become void and the beneficiary will not receive any part of your estate.
- **Residuary bequests:** Note that the specific bequests provided for in your will are paid and satisfied first. Then, whatever is left of your estate after all specific bequests, taxes and estate costs have been paid can be bequeathed to beneficiaries in a residuary bequest.

Including a charitable bequest in a will

During a meeting to plan a will, attorneys often ask if someone wants to include a charitable bequest. It’s a hard question to answer on the spot: of course you would like to help the charities that you care about. But how?

Before you arrive at that meeting, think about how you want to help. We can work with you to determine ways your gift can benefit a particular program or meet a particular need.



PHOTO BY JOE ROMIE

WHY CHARITABLE BEQUESTS ARE SO IMPORTANT

Every day, your generosity makes the work of the Church possible. Every gift helps us fulfill our mission: outright gifts of cash, appreciated stock, gifts of property. But there is one type of gift for which we are especially thankful—charitable bequests.

Charitable bequests are more than just financial support. A bequest represents a donor’s affirmation and continuation of their lifetime giving. You can ask that a bequest go to support a particular project, program or ministry.

Charitable bequests also provide an example to family and friends of the importance of leaving a legacy. Please contact us to discuss how your philanthropic goals can be met with a charitable bequest.