



# Legacy

*Sowing seeds of faith for future generations*

*A publication of the Georgia United Methodist Foundation*

SPRING 2016: PROTECT YOUR LOVED ONES TOO MUCH INHERITANCE A GIFT OF EDUCATION SAVVY LIVING

## PERSONAL PLANNING

## NEWSLETTER

### SIMPLE IDEAS TO **PROTECT** YOUR LOVED ONES AND CREATE YOUR **LEGACY**

YOUR LOVED ONES NEED YOU,  
BUT WHAT WOULD THEY DO IF  
YOU WERE NOT THERE?



With just a little planning, you can have peace of mind knowing you have taken care of your family and secured their future.

One of the most effective ways to care for your family is with a current estate plan. If you own property, have dependents or have recently experienced life changes (marriages, divorces, births, deaths, etc.), you will want to visit an estate planning attorney to create or update your will and trust document.

The good news is there is much planning you can do without ever visiting an attorney. For example, you can designate a beneficiary for your retirement assets and insurance plans typically by completing a simple form.

You can also add a family member to your savings, checking or investment account and your funds will pass automatically to them when you pass away.

If you are especially concerned about taxes, contact us to see how including your United Methodist church and/or favorite ministry in your plans can help you leave your legacy, while also reducing taxes for yourself and your family. Call us at 770-449-6726 or 877-220-5664, email [info@gumf.org](mailto:info@gumf.org) or visit our website at [www.gumf.org](http://www.gumf.org) for more ideas on ways to protect and provide for your loved ones.



# HOW MUCH IS TOO MUCH INHERITANCE?

WHILE WE ALL WANT TO HELP OUR CHILDREN AND GRANDCHILDREN, A LUMP SUM INHERITANCE MAY BE TOO MUCH FOR OUR HEIRS TO MANAGE ALL AT ONCE.



## GIVE YOUR HEIRS THE BEST OF BOTH WORLDS

Consider designating your heirs as beneficiaries of an insurance plan. You will be giving them a lump sum inheritance that is tax free and can be used to buy a house or start a business. You can also create a trust that can provide annual payments to supplement their income.

You love your family and may want to leave them enough to provide for their needs and maybe even their desires. Have you considered the appropriate amount of inheritance to give your heirs? While we all want to help our children and grandchildren, a lump sum inheritance may be too much for our heirs to manage all at once.

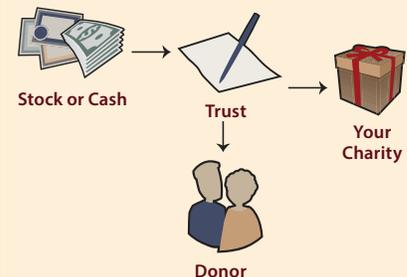
Often a more measured plan helps to ensure heirs are well cared for and that their inheritance lasts. One of the best ideas is to establish a special trust in your will that can provide your children with income. You can direct your trustee to make payments to your children over a period of time, rather than giving them their inheritance all at once.

To make the trust even more effective, consider creating a charitable remainder unitrust.

This type of trust pays money to your family, but also benefits a charity like your United Methodist church and/or favorite ministry. Any funds remaining in the trust (after all payments have been made) go to help further their mission. Aside from ensuring a lasting legacy for you by continuing their good work, this trust also gives you and your family significant tax benefits.

Call us at 770-449-6726 or 877-220-5664, email [info@gumf.org](mailto:info@gumf.org) or visit our website at [www.gumf.org](http://www.gumf.org) for more information.

### Charitable Remainder Unitrust



# GIVE YOUR FAMILY THE GIFT OF EDUCATION

INVESTING WHILE A CHILD OR GRANDCHILD IS YOUNG IS AN EXCELLENT WAY TO SAVE, INVEST AND PROVIDE FOR EDUCATION.

College is expensive, and there is no sign of educational costs declining any time soon. If you want to help your children and grandchildren get ahead in life, there are ways you can help them lower the cost of higher education.

One of the best ways to help a child or grandchild is to establish and contribute to a qualified 529 plan. These plans are available in all 50 states, and, contributions to them grow tax-free. Distributions from the plan to the student for education expenses are free of federal tax and generally state tax too.

If you want to benefit more than one child and don't wish to establish multiple 529 plan accounts, consider

creating an education unitrust. This is a charitable remainder trust where funds can be transferred to the trust tax-free. You or your trustee control how the funds are invested. You can also stipulate who can receive funds from the trust and under what conditions.

After the trust has completed all your primary objectives, any remaining funds go to help a charity. With this plan, you can save taxes, benefit your family and continue your legacy with your United Methodist church and/or favorite ministry.

Call or email us to see how education planning can benefit you and your family and help create your legacy.

► **529 PLANS** can make distributions to almost all accredited colleges and universities in the country for:

✓ Tuition ✓ Books ✓ Other education-related expenses

## ARE YOUR PLANS UP-TO-DATE?

One of the most effective ways to care for your family is with a current estate plan. Are your plans up-to-date? Here are some questions to consider.

- Have there been significant life changes with your family (marriages, divorces, births, deaths, etc.) since you last updated your will or trust?
- Are you certain that your assets are properly titled? Titling issues may cause your assets to be unintentionally distributed to someone else.
- Will your plan cause unity or division among your heirs? What legacy will you leave for your family? For your community?





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The Georgia United Methodist Foundation is a nonprofit organization that helps United Methodist churches, ministries and individuals within Georgia sow seeds of faith for future generations. GUMF offers investments, loans, and endowment services, as well as grants and scholarships. We also offer free planned giving strategies, wills clinics, and personal consultations. For more information, call 770-449-6726 or 877-220-5664, email [info@gumf.org](mailto:info@gumf.org) or visit [www.gumf.org](http://www.gumf.org).

# SAVVY LIVING By: Jim Miller

*Dear Savvy Living,*

*A family friend recently asked me to be the executor of his will when he dies. I feel flattered that he asked, but I'm not sure what exactly the job entails.*

As the executor of a will, you're essentially responsible for winding up the person's affairs after he dies. While this may sound simple enough, the job can be time consuming and difficult depending on the complexity of the person's financial and family situation. Some duties include:

- Filing court papers to start the probate process (this is generally required by law to determine the will's validity).
- Taking an inventory of everything in the estate.
- Using the estate's funds to pay bills, including taxes, funeral costs, etc.
- Handling details like terminating credit cards and notifying banks and government agencies like Social Security and the post office of his death.
- Preparing and filing final income tax returns.
- Distributing assets to the beneficiaries named in the will.

## GET ORGANIZED

If you agree to take on the responsibility as executor of an estate, your first step is to make sure your friend has an updated will, and find out where all the important documents and financial information are located. Being able to quickly put your hands on deeds, brokerage statements and insurance policies after he death will save you a lot of time and hassle.

If you are dealing with a complex estate, you may want to hire an attorney or tax accountant to guide you through the process, with the estate picking up the cost. If you need help locating a pro, the National Association of Estate Planners and Councils ([naepc.org](http://naepc.org)) and the National Academy of Elder Law Attorneys ([naela.org](http://naela.org)) are great resources that provide directories on their websites to help you find someone.

## AVOID CONFLICTS

Find out if there are any conflicts between the beneficiaries of the estate. If there are some potential problems, you can make your job as executor much easier if everyone knows in advance who's getting what, and why. Ask your friend to tell the beneficiaries what they can expect. This includes the personal items too, because wills often leave it up to the executor to dole out heirlooms. If there's no distribution plan for personal property, suggest that he or she make one and put it in writing.

For more information on the duties of an executor, get a copy of the book "The Executor's Guide: Settling A Loved One's Estate or Trust" for \$32 at [nolo.com](http://nolo.com) or call 800-728-3555.

Savvy Living is written by Jim Miller, a regular contributor to the NBC Today Show and author of "The Savvy Living" book. The articles are offered as a helpful and informative service to our friends and may not always reflect this organization's official position on some topics.

The purpose of this newsletter is to help churches and individuals understand the offerings of the Georgia United Methodist Foundation and to develop strategies for implementing planned giving programs, which provide funding for ministry now and in the future. The information and examples given are provided for educational purposes and do not represent individual financial or legal advice.