

WHAT YOUR WILL COVERS

What do the following have in common?

- Real estate and bank accounts held in joint tenancy
- Bank and brokerage accounts payable on death to a beneficiary
- Life insurance proceeds payable to named beneficiaries
- Retirement benefits payable to a spouse, children, or others
- Property held in trust

None of these assets are controlled by your will. They all transfer directly to the joint tenant or named beneficiary. If you neither owned nor had an interest in assets other than those on this list, your will would have no effect. Of course, most of us do own others assets, the distribution of which would be governed by our will. These include:

- Property of any type owned in your name alone
- Your interest in property owned by you and others as tenants-in-common
- Payments owed to your estate (compensation, for example) because of your death
- Proceeds payable to your estate from life insurance policies and retirement plans

Because you likely have assets on this second list, it is important to have a will.

When developing an estate plan, it is essential to coordinate probate assets (those that pass under your will) and non-probate assets (those that pass outside your will). Failure to do this can result in unintended inequities. For example, a father, wanting to divide his estate equally between his two daughters, made one a joint tenant of his personal residence for ease of transfer but named

them as equal beneficiaries under his will. The one daughter received the residence, which was a large share of the estate, plus one-half of the other assets, and this caused a rupture of their relationship.

If you are thinking about an end-of-life charitable gift, you will also want to consider the source of that gift. Suppose a person has a total estate of \$3,000,000, but only \$200,000 of it is governed by his will. If he includes in his will a charitable bequest of 10 percent of his residual estate, the charity would receive no more than \$20,000, which may be far less than he intended.

If you are planning an end-of-life gift to our organization, keep in mind that there are ways of doing this other than, or in addition to, providing a charitable bequest. For instance, you can name our organization as a beneficiary of remaining retirement funds, you could make it a beneficiary of a life insurance policy, or you can sign a pay-on-death beneficiary form for a bank or brokerage account.

We can provide suggested language that would accomplish your objectives.