

# Lifetime Plan for Giving

## Guide

**INSIDE :**

- *Benefits of a Christian Estate and Gift Plan*
- *Getting Started*
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**LCMSFoundation**  
TODAY | TOMORROW | FOREVER

We are pleased that you are taking steps to provide for those you love and support the ministries you care about through a personal Lifetime Plan for Giving™.

This Lifetime Plan for Giving™ guide will help you by making the process easier and more understandable.



## Getting STARTED

This guide is a companion to the Lifetime Plan for Giving™ workbook. This resource is filled with general estate planning information and charitable gift ideas.

An LCMS Gift Planning Counselor can help you with Christian counsel and encouragement to help you plan and direct your passion to give blessings to the people you love. You will also find that God has given you an opportunity to bless the ministries you care about in the most effective way.



## Benefits *of a* CHRISTIAN ESTATE & GIFT PLAN

### *Peace*

A Christian estate and gift plan is designed to help you provide for those you love, protect you and your family, and support the ministries that you have cared about during your lifetime.

### *Provision*

You have spent most of your life gathering assets and making plans. However, many people spend more time planning their vacation than planning the transfer of their estate. An estimated 70 percent of Americans do not even have a will. With a well-prepared Christian 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*

A well prepared plan will provide for you in your senior years. A Christian estate plan can increase your lifetime security and achieve your goals for family and ministry. 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 receive the best possible care.

### *Spiritual Heritage*

1 Chronicles 29:11-12 and Psalm 24:1 clearly illustrates God's ownership of everything. A Christian estate plan acknowledges His ownership, helps to prepare the next steward and ensures that your final act on earth is one of godly stewardship.



# General Estate Planning *Information*

## WAYS TO TRANSFER YOUR PROPERTY

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One of the goals of an estate plan is determining how you want your property distributed after the Lord calls you home to heaven. There are many methods for distributing your property. The method that is right for you will depend on your situation and your personal preferences.

The most common methods for distributing your estate are:

### *Last Will and Testament*

You should have a written will that conforms to the laws of the state in which you are living. You can change your will any time as long as you have the mental capacity.

In addition to providing directions on how you want your property distributed, your will should name a person in charge of the distribution. This person is usually called a personal representative or executor. It is important that you select someone that is trustworthy to be the executor of your estate. Your executor has no authority to deal with your property until you go home to heaven.



The process for carrying out the directions in your will is called probate. Probate is the court supervision and authorization of the transfer of your property. A will can include directions for the level of court supervision desired. At a minimum, the court will need to approve the validity of the will, the appointment of the executor, and the final settlement of your estate.

A will is the default method for distributing your property unless you have arranged for some other method. If you do not have a valid will, the property that is titled in your name will be distributed according to the succession laws of your state.

### *Revocable Living Trust*

A will is often the primary method for distributing an estate. However, in recent years revocable living trusts have gained in popularity.

Unlike a will, a revocable living trust can control ownership and use of your property during your life. The trust terms are stated in writing and generally give you, as trustee, unlimited discretion to deal with the assets. Assets can be transferred to the trust as soon as it is established, although retirement plans cannot be owned by a living trust and must continue to be owned in your individual name.

The trust is called a revocable living trust because during your life you are the trustee and have the unlimited right to control the assets and change the terms of the trust. The trust should also provide what is to happen when you are no longer able to act as trustee and who will take over as successor trustee. The same directions that can be put in a will for distributing your assets when the Lord calls you home can be placed in a living trust.

A revocable living trust can replace a will as the primary estate planning document. But it is still necessary to have a will to ensure that any assets that are not in the trust, whether inadvertently or not, are distributed the way you intend.

One of the potential advantages of a revocable living trust is privacy. Probate records are public. Assets that are transferred to your living trust during your life will not go through probate because they are not titled in your name.

After you have gone home to heaven, your successor trustee will be able to distribute the assets of the living trust according to your directions in the trust agreement without any court supervision. You need to know that whoever you name as beneficiaries of the trust (i.e., family members, charities, etc.) will be entitled to any information about the trust that affects their interest. Typically this would include a copy of the trust agreement, an inventory of the trust assets, and an accounting of the trustee's actions. If you prefer that someone not receive this information (such as a charity), discuss with your attorney the possibility of using a payable-on-death designation to transfer their gift to them and leave them out of the trust.

Another potential advantage of a living trust is the ability to administer your assets should you lose the mental capacity to do so yourself. The trust should provide specific directions for who is to take over as successor trustee in the event of your incapacity and how they are to administer the trust. This can be easier with a successor trustee than using other methods, like a power-of-attorney.

Costs are an important consideration when determining whether to use a living trust. With a living trust there is added cost during life to establish and administer the trust. Less court supervision at death may more than make up for these costs. The type and location of your property should be considered when analyzing the relevant costs of each method.

Tax savings are not a factor when determining whether to use a revocable living trust. The same tax planning advantages are available whether a will or a living trust is the primary estate planning document.

## *Beneficiary or Payable-on-Death Designations*

Some assets can be distributed at death through a beneficiary or payable-on-death designation. Life insurance, retirement plans, bank accounts, stocks and other investment accounts are the most common assets for which beneficiary designations are permitted. In some states, even assets like real estate can be transferred through a beneficiary designation.

Like a will, a beneficiary designation can be changed at any time and transfers no immediate property interest. A secondary beneficiary should be named in the event the primary beneficiary is no longer living.

## *Co-Ownership*

Another method for distributing your property is to have co-ownership. The different types of co-ownership are determined by state law.

Some types of co-ownership include rights of survivorship. This is usually between husband and wife. Upon the death of one of the co-owners, his or her ownership is automatically terminated and the property is owned entirely by the survivor.

Other forms of co-ownership do not include survivorship rights. When one co-owner dies, the property does not automatically pass to the other co-owner. Instead, the portion of the property that is owned by the co-owner is distributed according to his or her will like any other asset.

Co-ownership transfers an immediate ownership interest to the other co-owner. It is wise to consult your attorney regarding the implications before creating a co-ownership interest.



## MAKING DECISIONS WHEN YOU CANNOT

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Another goal of an estate plan is to put a plan in place for managing your property in the event you lose the mental capacity to handle it yourself. Some of the ways to do this are:

### *Conservator*

A conservator is a person appointed by a court to administer your financial affairs. The conservator is supervised by, and reports to, the court. It is the most costly and time consuming way to deal with your property when you no longer have capacity. A conservator is only necessary when you have provided no other method for managing your property.

### *Power-of-Attorney for Financial Affairs*

A power-of-attorney for financial affairs is the most common method for managing property during incapacity.

A power-of-attorney for financial affairs is a document that gives your authorization to someone else to manage your property. The person you select is called your agent. Successor agents can be named in the event that someone is unable or unwilling to serve. It is important that you select agents that are trustworthy.

The power-of-attorney should clearly identify the timing and scope of the authorization given to the agent. The authority to handle your financial affairs can be given immediately or only in the event that you lack mental capacity. It can cover virtually all financial matters, or be limited to only certain transactions.

## *Revocable Living Trust*

A revocable living trust provides for management of your property in the event you lose mental capacity because you can name a successor trustee in the trust agreement. The successor trustee has no authority to deal with the trust assets until you lose capacity and are no longer trustee yourself. The successor trustee usually has no authority to change the trust and can only follow the terms of the trust agreement as you provided.

Even if you have a revocable living trust, a power-of-attorney is still recommended to handle property that may not be in the trust.

## **TRANSFERRING PROPERTY TO MINOR CHILDREN**

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Minors may lack capacity by law to manage property. It is important to consider this when transferring a significant amount of property to a minor.

State law determines minority. In most states, a child under the age of 18 is considered a minor for purposes of managing property. Parents are natural guardians of their children and a minor child is often able to hold and manage property with their assistance. Other methods available for assisting minors with managing property are:

### *Custodians*

Most states allow you to transfer property to a custodian for the benefit of a minor. The custodian is responsible for administering the property for the minor's benefit. When the child reaches the age of majority the custodianship terminates and the property is given to the child. The advantages of a custodianship are the simplicity in setting up and administering, the flexibility it gives the custodian, and the fact that there are little or no costs.

The custodian can be an individual, like a family member. It is important that a trustworthy custodian be named because there is no court supervision.

### *Minor's Trusts*

A common method for transferring a significant amount of property to a minor is to place it in trust for the minor's benefit. Often the trust will place restrictions on its use, such as for education or health care. When the child reaches a certain age the trust can terminate and distribute everything outright to the then adult child. A trust is more costly to administer than a custodianship, but allows greater control on how the property is used.

“I will make you  
a great nation, I  
will bless you; I will  
make your name  
great and you will  
be a blessing.”

*Genesis 12:2*

“Remember this: Whoever sows sparingly will also reap sparingly, and whoever sows generously will also reap generously. Each of you should give what you have decided in your heart to give, not reluctantly or under compulsion, for God loves a cheerful giver. And God is able to bless you abundantly, so that in all things at all times, having all that you need, you will abound in every good work.”

*2 Corinthians 9:6-8*

## TAX COSTS TO CONSIDER WHEN GIVING YOUR PROPERTY

Tax costs can greatly reduce a gift or inheritance. Some of the taxes that may apply are:

### *Gift and estate taxes*

The federal government, and some state governments, assess a tax when property is transferred as a gift. If the transfer occurs during life it is called a gift tax. If the transfer occurs at death it is called an estate tax.

Most transfers between spouses qualify for an unlimited gift and estate tax deduction. That means that no tax liability is incurred on these transfers.

In addition, small transfers during life are excluded from federal gift tax. This amount is called the annual exclusion and the amount can change because it is indexed to inflation. Spouses are each entitled to their own annual exclusion. That means that married couples have double the annual exclusion to use if they elect to treat all gifts as coming half from each spouse. This may require the filing of a federal gift tax return in order to elect the gift split. Gifts that exceed the annual exclusion generally require the filing of a federal gift tax return.

Like the federal gift tax, the federal estate tax is not owed unless your estate is over a certain amount. However, all gifts that are made during life (if they are over the annual exclusion amount) are added back to your estate when you die to determine whether any estate tax is owed.

In addition to the federal taxes, some states impose a state transfer tax. Although most state estate tax systems work similar to the federal estate tax system, each state has its own rates and exemption amounts. Other states impose an inheritance tax instead of an estate tax. The inheritance tax is a tax on the receipt of the gift rather than the transfer. Liability for inheritance tax generally starts at a much lower amount than estate taxes because it looks individually at what each person receives rather than the total amount being given away. Rates may also vary depending on the degree of relationship to the giver.

Always talk with your tax or legal advisors when making any gift or estate plans.

### *Income Tax Consequences from the Transfer of Property*

Before the income tax consequences are discussed, it is important to understand a concept called “basis.” Basis is an accounting term that refers to the value of property for determining gain or loss of the property





if the property is sold or transferred. Most commonly, basis is the price you paid for the property. So for example, if you paid \$100 for 10 shares of stock, your basis in the stock is \$100.

If you give property away during life, the person takes the same basis that you had. Continuing with the example above, if during life you gave the stock away to your son, your son also has a basis in the stock of \$100. If your son sold the stock for \$300, he would have a gain of \$200, which would be subject to income taxes.

Most assets that you transfer at your death receive a “stepped-up” basis. A stepped-up basis is the fair market value of the assets at the time of death. The stepped-up basis is one of the few tax rules where tax is completely avoided on any appreciation in the property. In the same example, if the stock was part of your estate which was left to your son, your son would have a stepped-up basis in the stock equal to the fair market value. If the fair market value was \$300 and your son immediately sold the stock for \$300, there is no gain and no income tax consequences.

Some assets, like savings bonds and retirement plans (other than Roth IRAs), do not get a stepped-up basis when transferred at death. If these assets are transferred to family members or loved ones, the new owners will have income consequences from receiving the property.

Part of your estate plan is determining who gets what property. In some cases, the income tax consequences of certain pieces of property may play a role in these decisions.

# TAX PLANNING WHEN TRANSFERRING YOUR PROPERTY

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Proper planning can often reduce or eliminate tax costs. There are many planning techniques that your attorney may use, but some of the most common when giving property are:

## *Charitable Gifts*

In addition to the charitable work that it supports, a gift to a qualified charity also entitles the giver to various tax savings.

The most well known benefit is a charitable tax deduction. Depending on the gift, the giver may be eligible for a tax deduction to offset income, gift or estate tax liability.

Another benefit is the avoidance of realized gain. Charities are exempt from taxation so it is best to make your charitable gifts from assets that would carry tax liability if given to someone else or sold yourself. For example, as mentioned earlier, if your children were the beneficiaries of your retirement plan, your children will have income tax consequences from the transfer. However, if a charity is a beneficiary of the retirement plan, the income tax consequences are avoided because the charity is not subject to income taxes. So, sometimes it is possible to minimize taxes owed by simply reshuffling which parties, your family or charity, receive particular assets.

## *Annual Exclusion Gifts*

Gifts that are less than the annual exclusion amount escape federal gift and estate tax. If you have a large estate where these taxes are a concern, it may be wise to begin distributing your estate to your family today.

Spouses are each entitled to their own annual exclusion. That means that married couples have double the annual exclusion to use if they elect to treat all gifts as coming half from each spouse. This may require the filing of a federal gift tax return in order to elect the gift split.

## *Federal Estate Tax Planning*

Federal estate tax is not due unless your estate is over a specific amount. This amount is referred to as the “exclusion amount,” i.e., the amount excluded from federal estate tax. Every taxpayer has an estate tax exclusion amount. If your estate is over the limit, there are several ways to establish your plan to reduce or eliminate estate taxes.

One of these methods applies to married couples. Each spouse is entitled to their own exclusion amount. However, proper planning is needed to ensure that one of their exclusions is not wasted. One way to maximize the estate tax exclusion amount for married couples is to use a by-pass trust in the estate of the first spouse to die. It is called a by-pass trust because it will by-pass inclusion in the surviving spouse’s estate.

The surviving spouse may have access to income from the by-pass trust, some access to principal, and some discretion to direct the ultimate distribution of the trust. The remainder of the estate of the first spouse is then either given outright to the surviving spouse or placed in a trust for the spouse.

Historically, a by-pass trust was a very common estate planning technique, but with the increase in the federal estate tax exemption amount it is used less often. However, many estate planning attorneys continue to include it in the estate plan as a back up to avoid federal estate tax and have added flexibility so that it can also be used for income tax and asset protection planning.

## CARING FOR THE EARTHLY BODY GOD HAS GIVEN YOU

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In addition to managing the property that God has blessed you with, it is important to honor Him by caring for the earthly body that He has blessed you with. Some of the things to consider are:

### *Advance Directives for Health Care*

It is important that you leave instructions for the health care treatment you wish to receive should you ever be in a condition where you are unable to communicate your wishes. Your wishes should be in writing and conform to all legal requirements for your state. The failure to address this important issue can have a lasting, negative effect on your loved ones.

There are two general ways to make an advance directive. One is commonly called a durable power of attorney for health care. With a durable power of attorney for health care, you appoint someone, like a close family member, to make the decision in your stead. A durable power of attorney for health care only authorizes the person to make these decisions when you are no longer able. It may also include a description of the type of care you desire and instruct the person that you've appointed to consult others, such as family members and your pastor, before making a decision.

The other type of advance directive is commonly called a living will. A living will describes the type of treatment that you desire and authorizes the attending physician to proceed according to those wishes. No other consent or approval is necessary as your directions in the living will are sufficient for an attending physician to act.

The Lutheran Church—Missouri Synod encourages members to have a durable power of attorney for health care and to give the decision making power to someone with the same Biblical beliefs regarding the sanctity of life. More information about this important issue, and additional resources, are available from the Lutheran Church—Missouri Synod at [LCMS.org](http://LCMS.org).

“But remember the Lord your God, for it is He who gives you the ability to produce wealth, and so confirms His covenant, which He swore to your ancestors, as it is today.”

*Deuteronomy 8:18*



## *Anatomical Gifts*

An anatomical gift is a donation of organs and tissues. Anyone of sound mind can make an anatomical gift, although a minor needs the consent of a parent or legal guardian.

Some of the ways that you can make an anatomical gift are by indicating your intent on the back of your driver's license or by completing a Uniform Donor Card. A will is normally not the place to make an anatomical gift because of the time that will elapse before the will is read and accepted. While the use of an attorney is not required, it is wise to discuss the method you have chosen with your attorney.

You can make a gift of all or parts of your body. While it is not necessary, you can specify who is to receive the gift, such as a hospital, a school, or a specific individual.

On its website, the LCMS “encourages organ donation as an act of Christian love, but this choice is entirely up to the individual and/or his or her family, and should not be a cause of guilt or regret no matter what decision is made. The Bible has nothing specific to say regarding this issue. Therefore, it is a matter of Christian freedom and personal (or family) discretion.”

## *Uncover God's Plan*

Putting your affairs in order can be a daunting task. Start by prayerfully asking God's will for the transfer of your earthly blessings. Ask how He would have you transfer them so that they will bless the family He has given you and further God's work on earth.

## *Share Your Faith*

Consider the importance of sharing your faith as a part of your estate plan. Adding a Christian preamble to your will or living trust can be a source of comfort to a mourning family, a powerful message of love and encouragement, and a public record of Christian faith. The most powerful statements are ones that are personal to you, but to give you an idea, a Christian preamble may look something like this:

### **SAMPLE CHRISTIAN PREAMBLE**

*In the name of the Triune God Father, Son, and Holy Spirit. Amen*

*First, I want my loved ones to know that I place full confidence and trust in my Lord and Savior Jesus Christ, who promised: "I am the resurrection and the life. The one who believes in me will live, even though they die; and whoever lives by believing in me will never die." (John 11:25-26)*

*Second, knowing that the wages of sin is death, I believe that Jesus Christ, the only Son of God, suffered and died for the forgiveness of all my sins, which I neither deserve nor merit, but I receive it as a free gift of God, Who is rich in grace and mercy.*

*Third, I leave to all of my loved ones the words of our Savior, found in John 3:16; "For God so loved the world that he gave his one and only Son, that whoever believes in him shall not perish but have eternal life." I leave those who survive me the comfort of knowing that I have died in this faith and now have joined my Lord in eternal glory.*

*Fourth, I praise God for giving me a loving, caring, Christian helpmate in my wife/husband. She/He has been a blessing to me, and a wonderful mother/father to our children. Knowing that we both share our faith in Jesus as our Savior, we will praise the Lord forever in Heaven.*

*Fifth, I pray that the Lord would guard and protect my children. You are very special to me and I thank the Lord for you. Through your baptism you have been received into God's family and I urge you to remain faithful to Christ until you are called home to be with the Lord. I love you and I look forward to eternity with you in heaven.*

*Sixth, I pray that the Lord would shower His blessings upon my grandchildren. May the Holy Spirit guide you along the narrow path of salvation through faith in Jesus Christ. I urge you to respect your parents and honor them as your parents have honored me.*

*Seventh, I recognize that all of my earthly possessions are a gift from God. Therefore, I have made provisions in my will to continue my Christian stewardship after I have gone to Heaven to be with the Lord. I trust that what I offer as a gift will be blessed many times over by the Lord in building His Kingdom.*

*Eighth, my heirs will receive, through me, gifts from God. May you always remember that everything you have is a trust from God. Be good and wise stewards of His blessings, managing wisely and returning to Him a generous portion for the work in His Kingdom.*



In addition to, or instead of, a Christian Preamble, consider including a Christian Family Blessing (sometimes called an Ethical Will). A Christian Family Blessing is a letter written to your family that shares the hope within you of eternal inheritance in Christ. The letter is not a legal document and does not replace a will, living trust or health care directive, nor should it include any information regarding directions contained in those documents. Using a separate letter for the Christian Family Blessing allows you to be more expansive with the blessing, and allows you to change or update it without having to update your legal documents. To give you an idea, a Christian Family Blessing may look something like this:

*“I will make you into a great nation, and I will bless you. I will make your name great, and you will be a blessing.” Genesis 12:2*

*God blessed Abraham; his descendents would fill the earth and all nations would be blessed through him. Because of God’s faithfulness to keep His promises, St. Paul, in Galatians 3:29, calls Christians the offspring of Abraham. Abraham passed down the blessings he received to his son Isaac, Isaac to Jacob and on and on through lineage to the One who became the real blessing, Jesus Christ our Savior. Christians today pass blessings to descendents – a desire placed by the Holy Spirit.*

*I am so thankful to the Lord for my blessings. The blessing I received from my father in introducing me to my Savior, Jesus Christ and sharing how much he loved me and prayed for me was so impactful as I journeyed through life.*

*I want you, my children, to know that I desire to pass on that blessing and appreciation for you and your life. I pray that God grant you His grace and every blessing each day as you face the challenges and opportunities of this world.*

*Just as I pray that I have been a blessing to you, I encourage you to be a blessing in your life’s relationships. I’m not concerned how I will be remembered or whether I will be remembered at all. What difference does it make? I pray that my loved ones will remain in their baptismal faith in their Savior Jesus. “If we live, we live for the Lord; and if we die, we die for the Lord. So, whether we live or die, we belong to the Lord.” Romans 14:8*

*You are my offspring, but you are not just like me. I thank God that He has uniquely designed you to be you. Celebrate who you are in Jesus and pray for the Lord’s guidance as He directs your special gifts as you serve others and accomplish His purposes. In this you “may take hold of the life that is truly life.” I Timothy 6:19*

*I love you. God bless you always.*

The blessings transferred in a Christian Preamble or Christian Family Blessing can have much more importance and lasting value than the material blessings transferred with the rest of your plan.

## *Remember the Lord's Work*

God has blessed you so that you can be a blessing to others. Prayerfully consider including LCMS ministries in your plan so that His work can be carried out through these ministries. *“But since you excel in everything—in faith, in speech, in knowledge, in complete earnestness and in the love we have kindled in you—see that you also excel in this grace of giving.”*  
2 Corinthians 8:7

## *Choose the Most Effective Way to Include the Lord's Work*

If you are including an LCMS ministry in your plan, there are options that can best further your intended purpose, take advantage of tax benefits, and increase the amount and impact of your gift. An LCMS Foundation Gift Planning Counselor is trained to help you with this process and can suggest ideas that might include:

**Individual Endowment:** Endowments are an opportunity to pass on your Christian witness and heritage to future generations by providing planned and reliable funding for ministry. An endowment is like a tree that continually bears fruit. An individual endowment can be tailored to fit your plans and contributions can be made during your life, or from your estate. By establishing the endowment with the LCMS Foundation you also receive:

- Professional assistance from our staff of gift planning counselors, attorneys, accountants and investment professionals
- The ability to benefit multiple LCMS ministries with a single endowment
- Professional endowment management
- Independent accountability and outside auditing
- Peace of mind knowing the ministry you have selected can focus on its mission, rather than be distracted by the administrative burdens of endowment management.

**Family Gift Fund:** A Family Gift Fund (also known by its more technical term as a Donor Advised Fund), is your own grant-making ministry fund. It gives you, or your family, the opportunity to provide support to ministries as the needs arise. As the advisor, you (or your family) recommend the ministries that will benefit, the level of support that your fund will provide, and the timing of that support. It is similar to a private foundation, except the LCMS Foundation has ultimate control of the fund. But it is much easier to start and operate than a private foundation and qualifies for greater tax benefits.

**Charitable Remainder Trust:** A charitable remainder trust is a descriptive term for a trust that benefits you or your family for a specified period, and then after the specified term the trust ends and distributes whatever remains (the remainder) to the ministries that you specify. The trust is tax efficient because it is exempt from taxation and

“But since you excel in everything—in faith, in speech, in knowledge, in complete earnestness and in the love we have kindled in you—see that you also excel in this grace of giving.”

*2 Corinthians 8:7*



contributions to the trust qualify for charitable income and estate tax deductions. The trust can be funded during your life or after you have gone home to heaven. Many LCMS members have taken advantage of this planning device to bless their family and the Lord's work.

**Charitable Gift Annuity:** A charitable gift annuity is another gift that provides benefits to you and to the Lord's work. A charitable gift annuity pays a fixed annuity to you for life and then, after you have gone home to heaven, provides a benefit to the LCMS ministry that you specify. The amount of the annuity is fixed on the date you establish the gift annuity and is based on your age and the amount of the gift annuity.

### *Choose the Best Asset for Family and Ministry*

Determining which asset to give to family or ministry may be just as important as how much to give. For example, retirement plans, savings bonds, and annuities are good assets to use for your charitable gifts at death because the ministries are tax exempt. These assets carry an income tax liability and if they are given to family they will receive less because they will have to pay income tax on the asset. Appreciated assets, like securities and real estate, can be good assets to give to ministry during life as a way to avoid capital gains tax when the property is sold. Your LCMS Foundation Gift Planning Counselor is experienced and knowledgeable and can help you determine the best asset to use for your ministry gift.

### *Share Your Plan*

Please consider sharing your plan with your family after it is complete – not only what it is, but why. The Bible gives many examples of this from Moses and Joshua, to Jesus and Paul. Sharing with your family while you are living provides an opportunity for discussion and allows you to experience the blessing firsthand. This might be the most important step you can take to ensure that the transfer will be a blessing – to you, your family and to others – when you are home in heaven.



# FINALLY, DO WHAT YOU CAN TO ENSURE YOUR PLAN IS PROPERLY IMPLEMENTED

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Here are some additional ideas about what you can do to make sure the plan you have in mind is what will eventually happen.

## *Seeking Good Counsel*

Estate planning requires specialized legal knowledge and skill. There is no replacement for a competent attorney. Independent counsel from an attorney also provides the best protection against claims of undue influence and lack of capacity.

Trusts and estates are two of the fastest growing areas of litigation. In some areas one-third of estate plans are challenged, resulting in costly litigation. Some of that has to do with the world we live in. The fact that more people are living into their eighties and beyond also increases the chances that someone will raise issues about mental capacity and undue influence. The increasing size of estates, blended families, and families that do not share the same values as their parents may also be contributing factors.

The attorney you select must be licensed in your state and preferably experienced in estate planning. When considering attorneys, you may want to ask how many years he or she has been engaged in estate planning and what percentage of the practice is devoted to estate planning.

If you need help in finding an attorney, your LCMS Foundation Gift Planning Counselor is happy to provide a list of attorneys that he or she has worked with in your area. You can also contact the local Bar Association for licensed attorneys in your area.

To achieve the best result, give your attorney all of the facts concerning your situation and keep him or her informed of any changes. Any confidential information that you provide your attorney is privileged and cannot be shared without your consent.

Your attorney will represent you as your advocate as well as to giving you advice and guidance. Your attorney should be careful to avoid anything that might compromise your best interests, unless it is with your consent.

Attorneys use different methods for determining how much you will pay them. Some will offer a one-time flat fee for the service that you are requesting. Others may charge an hourly fee. You should discuss fees with your attorney at the first meeting. Your attorney should be able to give you a general idea of the total fee based on your explanation of the services you are asking him or her to perform. Some attorneys may put this in writing, often called an engagement letter, which summarizes what you are asking the attorney to do and what the charge will be for these services. Circumstances can change but your attorney should keep you informed about any changes that would cause the fees to increase significantly.

Your attorney is an important part of your Lifetime Plan for Giving™. Attempting to save money on this part can frustrate your plan, incur greater costs later, and most importantly, lead to hurt feelings among your family.

It is also important to include your other advisors, particularly your financial advisor, in the planning process. *“Plans fail for lack of counsel, but with many advisers they succeed.”* Proverbs 15:22.

## *Selecting the Right Fiduciary*

Consider carefully who will have the responsibility of carrying out your wishes when you are gone. In the past it was common to name a trusted friend or family member. However, many people underestimate the amount of time and responsibility this appointment entails, from collecting and inventorying all of the assets, to paying all the bills, and filing the required tax returns.

With the increasing complexity of the process and risk of litigation, it is becoming more common to select professional institutions, like a bank. Even with a well-prepared estate plan it is likely that whoever is selected to manage your estate will be asked to exercise judgment and face difficult decisions. It is not uncommon for there to be conflict over the distribution of sentimental items like family photos, jewelry and dishes, which cannot be divided equally. A neutral fiduciary may be helpful in avoiding hurt feelings and enmity among the family members. Carefully consider whether it is wise to give a friend or family member this responsibility and whether it will affect family relationships after you are gone.

No matter who you select as a fiduciary, clearly communicate your wishes to them to make sure they understand and are willing to accept the responsibility.

## *Safeguarding Your Plan Now*

Maintain an organized list of assets and instructions on things to do after your death. Keep them, along with estate planning documents, in a safe place that will be easy to locate. Advise whoever will be responsible for handling your affairs of the location. Consider giving them a copy of the legal documents in the event your originals cannot be located.



## *Next Step*

Thank you for taking the time to read the Lifetime Plan for Giving™ Guide. We are hopeful that you found the topics in this guide informative and interesting. You may be asking now, “What’s next?”

- If you received this guide as a companion to the Lifetime Plan for Giving™ Workbook please begin to fill out the workbook in preparation for your conversation with an LCMS Foundation Gift Planning Counselor.
- If you received this guide as a standalone information piece please contact the person who provided you with this guide or contact The LCMS Foundation to request a Lifetime Plan for Giving™ Workbook.
- If you are unsure how to proceed, please contact the LCMS Foundation. A gift plan design specialist will discuss the best way to continue.

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