

# The Case for Estate Planning

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# Estate Planning is...

The continuing process of coordinating a person's financial affairs to secure economic security during life and to provide for the orderly disposition of assets at death.

# **CHARACTERISTICS OF A GOOD ESTATE PLAN**

# DOCUMENTS TO CONSIDER

# LAST WILL AND TESTAMENT

The Cornerstone of a Good Estate Plan

# Types of Wills

1. Oral Will
2. Handwritten (or Holographic Will)
3. Attested Will

# **Oral (or Nuncupative) Will**

**Holographic (or Handwritten) Will**



# Attested Will

# Things to Consider

1. What Assets Pass Under Your Will
2. Who to Name as Personal Representative
3. Who to Name as Trustee of any Trust
4. Who to Name as Guardian for Minor Children
5. Whether Tax Planning Is Needed
6. Special Gifts or Specific Bequests

## Things to Consider in the Charitable Giving Context

- 1. General Bequest**
- 2. Specific Bequest**
- 3. Residuary Bequest**
- 4. Contingent Bequest**

# TAX PLANNING OPPORTUNITIES

1. Unlimited Exemption for Spouse
2. Tennessee Exemption: \$1 Million
3. Federal Exemption: \$5 Million



# The Tennessee Intestacy Statute

.... Or what happens if a donor does not have a Will.

# The Revocable Trust

... also known as the Living Trust...

# The Durable Power of Attorney

Authorizes another person to act on your behalf in various business and personal matters.

# Charitable Remainder Trust

... Allows a donor and a charity to share income and remainder interests by setting up a gift to charity while retaining an interest for the donor and the donor's family.



## **Annuity Trust**

- Income from annuity is a fixed percentage
- For assets that will be able to generate required income
- Income to donor is fixed and will not grow with asset
- Does not allow for addition to asset base

## **Unitrust**

- More flexible but riskier
- Donor receives fixed percentage but assets valued annually
- Donor benefits from growth of assets
- Allows for additions to asset base
- Income can fluctuate

# Charitable Gift Annuity

Beneficial for donors who need income, want an immediate tax deduction, and wish to support a single charitable organization

# Charitable Lead Trust

Charitable organization receives benefit of assets for a fixed period of time but ultimate distribution of assets is to donor's heirs

# **Gifts of Life Insurance**

# **Using Retirement Benefits to Make Charitable Gifts**

# Tennessee Health Care Decisions Act

Appointment of Healthcare Agent Form

Advance Care Plan

Durable Power of Attorney for Healthcare

Living Will

**THE END**