

## Review Other Estate Plans

**W**hen you update your will or living trust, remember to review all the arrangements that affect your beneficiaries:

### Life Insurance

Are your designated beneficiaries still living? Do you have enough protection for present needs? Does your insurance still serve its original purpose?

### Retirement Accounts

Who will receive benefits from your IRA or other plan after your death? How much will they keep after taxes? Have you considered leaving death benefits to charities or nonprofit organizations, like LCEF?

### Savings Bonds

Did you name a beneficiary or co-owner for your U.S. savings bonds? Is that person still living?

### Investments

For those investments that provide for a beneficiary designation, have you named a beneficiary? Have you considered LCEF?



### Business Interests

Have you planned for an orderly transfer of any business interests you own, including payment of death taxes?

### Federal Estate Tax

Can you estimate, within \$20,000, your current net worth? If your gross estate exceeds \$1 million, receive help with estate tax planning from an attorney and/or tax advisor.

### Health Care Decisions

Do you have a living will or power of attorney to assist your doctor and family with decisions concerning your health?

### Disability

Have you established a trust or general durable power of attorney that names someone to make financial decisions during a time of incapacity?

### Special Beneficiaries

Have you set up trusts or other arrangements for family members with special needs?

## A Gift to LCEF May Save Your Family Money

**A**s you review your estate plans, you may come across assets that will generate heavy tax burdens for your family. Such items may be subject to both income taxes and “death taxes,” leaving heirs with only a fraction of their inheritance. **Examples:**

- U.S. savings bonds.
- Accounts receivable of a doctor or proprietor.
- Renewal commissions of insurance agents.
- Payments due you under installment sale arrangements.
- Royalties under a patent license.
- IRA benefits and deferred compensation.

As a tax-exempt organization, LCEF could keep every dollar of such “taxed property” and be able to use it repeatedly to help LCMS ministries through low-cost loans and related services. Furthermore, leaving these items to LCEF would create estate tax charitable deductions that save even more taxes for your heirs.



Contact LCEF with your gift planning questions:

1-800-843-5233

[www.lcef.org](http://www.lcef.org)

*Information in this brochure is of a general nature and reflects our understanding of current federal tax laws as they apply to wills and living trusts. These laws are subject to different interpretations and subject to change. The information provided is not intended to be legal, accounting, or tax advice.*

*Neither the Lutheran Church Extension Fund nor its representatives give legal, accounting, or tax advice. We suggest that you consult with your attorney and/or tax advisor as to the applicability of this information to your own situation.*



**Lutheran Church Extension Fund**

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## Update Your Will



- *Fifteen Reasons Your Will May Be Obsolete*
- *Wills vs. Living Trusts*
- *Gifting a Portion of God's Blessings to LCEF*

**Gift Planning is a free service provided by the Lutheran Church Extension Fund in conjunction with the LCMS Foundation.**  
[www.lcef.org](http://www.lcef.org)



Is your will an up-to-date, contemporary planning tool that is ready for duty when the time comes? Or has it been sitting in your safe for years, untouched, not keeping pace with your needs or the needs of your family?

More than two-thirds of Americans are without wills, so you should be commended for taking the first step in preparing a will.\* However, without regular review and updating, some completed wills can create confusion and needless expense for surviving family and friends.

### 15 Reasons You May Need to Modify Your Will:

1. Marriage.
2. Birth of a child or grandchild.
3. A child reaching adulthood.
4. Divorce.
5. Death of a spouse.
6. Increases in the value of your assets.
7. Acquisition of new assets by gift or inheritance.
8. Giving away or selling assets mentioned in your will.
9. Death of a beneficiary named in your will.
10. Changes in the needs of your beneficiaries.
11. An executor or trustee dies, moves or becomes disabled.
12. You move to a different state.
13. Purchase or sale of real estate.
14. Changes in tax laws.
15. You decide to make additional bequests, such as a gift for the future support of a ministry close to your heart.

\* The Mid-Career Planner, R.N. Garnitz. Decatur: LifeSpan Services Inc., 2000.

## Review Your Will Annually

Take time at least once a year to review your will, keeping it current with your changing needs and circumstances. Use New Year's Day or your birthday as a logical "review date."

Ask your attorney to look at your will every two or three years as well. Changes may have occurred in state or federal laws that could affect the taxation or distribution of your estate. To make a small change, you may need only a "codicil" or an amendment that will preserve most of the provisions of your existing will. For major changes, a completely new will (that specifically revokes all prior wills) may be preferable. Either way, you will need your attorney's professional advice and help.

## Consider a Gift to LCEF

If it does turn out that you need a codicil or a new will, we hope you'll consider one more satisfying change: a thoughtful gift supporting the mission of the Lutheran Church Extension Fund.

Gifts to LCEF are used over and over again to further the Lord's work by providing low-cost loans to churches and schools within The Lutheran Church—Missouri Synod. These gifts allow LCMS ministries to share the Good News of Jesus with others, expanding His Kingdom and supporting the Great Commission.

If you wish to make the ministry of Church Extension a part of your will, contact LCEF's Gift Planning Services. The gift planning counselor will help you create a special gift that benefits the organization you want to assist, LCEF or any other LCMS ministry.

## Living Trusts

A living trust differs from a will in that it requires an agreement between you, the owner of the trust, and the trustee. The beneficiary of a trust can be any person or any organization. A living trust is settled differently than a will. The process is faster, less expensive and more private.

A **revocable living trust** allows you to revise the terms of the trust as your needs change. Revocable living trusts avoid probate, may possibly save on estate taxes, and allow you to maintain access to your assets held in the trust. Revocable living trusts need to be reviewed regularly just like a will.

An **irrevocable living trust** cannot be changed after it is established. The benefit is that it continues to be managed as you intended if you become unable to handle your finances.

People who have living trusts also need wills. Why? You may need to name different executors or guardians and to dispose of any assets that have not been transferred into trusts before death. Remember that assets you acquire after setting up a living trust do not avoid probate unless they have been transferred into the trust.

Remember, too, that you can make LCEF one of the beneficiaries of your living trust if you wish to include the ministry of Church Extension in your charitable estate plan.

