BOYS & GIRLS CLUBS
of Hawaii

ESTATE PLANNING

How to get started.

A simple & practical estate planning guide.

WHAT WILL YOUR LEGACY BE?

Getting Started

You've picked up this booklet and made it to page 1. Smart move! You are on your way to taking control over some of life's most important elements.

The term "estate planning" tends to intimidate people. It sounds like something for the wealthy. It seems like something that can wait till retirement. It is neither. Estate planning is for everyone, and the time to create one is now.

That's because estate planning is about taking control of the most important aspects of your life—like your family, your business, and the charities and causes you care about. Without a plan, important decisions about your assets, your healthcare and the care of your children are left to the courts and state laws to handle according to predetermined formulas.

You've worked hard to achieve what you have—whether it's a little, a lot or somewhere in between—and you deserve the right to say what happens to it. An estate plan gives you the control you deserve. I hope this booklet will be helpful.

Please don't hesitate to contact us if you would like to discuss the possibility of including our organization in your estate plans.

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What this guide will do for you:

- Take the fear out of estate planning.
- Prepare you to have meaningful conversations with your attorney and financial planner and enable you to make well-informed decisions regarding your estate.
- Help you consider your priorities, identify your goals, organize your thoughts— and get started.
- Introduce you to charitable planned giving strategies that can benefit you, your heirs, and the charities you care about.

What this guide will not do:

Replace the need for professional advice

This guide is intended to give you the basics and help you get started. Decisions about your estate and your legacy are important and long lasting. Get advice and guidance from competent professionals.

Try to convince you to "disinherit" your heirs

This guide includes information about how to make charitable giving part of your estate plan. The purpose is to introduce you to some of the creative, strategic planned giving tools that allow you to support the causes you care about and gain tax benefits for yourself and your family. The intention is not to make charitable gifts at the expense of your loved ones.

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Start here

Five Steps to Begin Planning Your Estate

Inventory your assets

Use the Estate Planning Starter Kit beginning on page 8 of this document to get a sense of your assets and their value. Once you've got them organized, you can start thinking about what you would like to do with your estate. Assign realistic values to your assets. You might be surprised to learn the current value of an asset you've been planning to give to a family member.

Think about your priorities

Estate planning extends your influence to your loved ones, your community, and the causes you care about even after you're gone. Before you get down to the nitty gritty of planning, consider your priorities and goals. Ask yourself questions like these:

1. Do I want my children to receive exactly an equal share of my estate?
2. If I could give my kids and grandkids a ton of money, would I? Is this what's best for them?
3. What charities or causes do I want to support far into the future?
4. What accomplishments am I most proud of in my life? How can I use my estate plan to extend these accomplishments into the future?
5. What values do I want to pass on to the next generation?

Identify your beneficiaries

Make a list of the individuals and organizations that you want to provide for in your estate plan. Note any conditions that might determine the method and circumstances by which you assign them certain assets. For example, you may want to leave your grandchildren some money, but only if they go to college and only a little at a time.

Call a family meeting

At the very minimum, keep your spouse in the loop from the get-go. It's not only a matter of respect, but coordinating plans between spouses often leads to additional savings for your estate. You may want to have a family meeting to discuss your plans with as many family members as possible. If you are considering a gift through your estate to a charitable organization, schedule a meeting or phone call with the organization's planned giving department to discuss your goals and intentions. The organization can collaborate with your attorney and financial planner to make sure your philanthropy is as strategic and effective as possible.

Write your will

More than 60% of Americans pass away without a valid will in place. Don't let it happen to you. If you already have a will, congratulations! You're ahead of the curve.

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What makes a good estate plan?

An estate plan typically begins with writing a will, but it can also involve:

- Establishing trusts
- Identifying or changing beneficiaries of life insurance policies and retirement accounts
- Selecting guardians for minor children
- Setting up “pay-on-death” (POD) and “transfer-on-death” (TOD) accounts so your bank and investment accounts can pass directly to the beneficiaries you’ve chosen without the courts getting involved.
- Providing lifetime income for yourself and others through charitable planned giving tools
- Minimizing taxes and other estate settlement costs
- Passing on business interests
- Providing for your charitable interests

A good estate plan will accomplish the following:

- Secure the future financial welfare of your surviving spouse.
- Provide for the support or special needs of your children or grandchildren, especially minors with costly illnesses or disabilities.
- Provide or continue support to non-profit organizations that are meaningful to you.
- Minimize the legal wrangling that occurs when settling the assets of an estate.
- Avoid the need to sell off assets by providing in advance for necessary expenses that will occur in the process of settling your estate.
- Coordinate all your legal documents into one cohesive package, which includes the people and organizations you wish to receive your insurance and retirement benefits.
- Prepare flexible documents to allow adjustments down the road when tax laws or life circumstances change.
- Avoid lawsuits, personal resentment, and confusion by making your intentions clear.
- Preserve your privacy. Once the estate is opened, the will becomes public. A good estate plan can keep prying eyes and nosy noses from otherwise invading your family’s private business.
- A good estate plan provides for the survival and perpetuation of your business.
- Reflect your values, interests, and wishes. Do you want your grandchildren to have the chance to study abroad? Do you dream of having your name etched on a plaque that will hang on the wall of an institution that’s important to you? You can make your plan a reflection of who you are and what’s most important to you.

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It’s not just about your stuff.

Estate planning is about so much more than just your belongings. It’s a way to extend your influence and values beyond your lifetime.

One way to make your estate plan a meaningful reflection of who you are is by incorporating charitable giving into your plans. As a bonus, many charitable giving tools also return benefits to you and your loved ones. Talk with your financial planner and the planned giving officers at the institutions you want to support. They can work together to make sure your goals are accomplished.

There are many charitable giving tools, but just to get your wheels turning,

Here are The Big Three:

A gift of retirement assets

During your lifetime retirement accounts are good for making money for you. But after your lifetime, they are mostly good for making money for Uncle Sam. When you designate retirement plan assets to your heirs, taxes can slice away as much as 70 percent before your loved ones see a penny! Using a retirement account to make a charitable gift can be a savvy way to protect your assets, provide significant support to a cause you care about, and preserve your estate for your heirs.

A gift through your will or trust

This is the easiest and most popular of all planned gifts. It costs you nothing during your lifetime and leaves a powerful impact. A gift through your will or trust is known as a bequest.

- **It is flexible.** You can give a specific asset or a share of what’s leftover after your heirs are cared for.
- **It is revocable.** You can easily revise your plans if your life circumstances change.
- **It is simple.** A simple paragraph or a one-page amendment to your existing documents is all it takes.

A gift that pays you back

A charitable gift annuity (often referred to as a CGA) is a popular gift planning strategy that provides tax-favored income for you and support for a mission you care about. Here’s how a CGA works: You give cash or other assets to the non-profit organization to invest. The non-profit contracts to pay you and/or a loved one a fixed amount annually for life. The payout rates are based on your age at the time you make the gift. They are often equal to or even higher than the interest rate you had been receiving on the assets you use to fund your CGA. You’ll receive a charitable deduction in the year you create the annuity, and only a portion of each annuity payment will be taxed as ordinary income. When the contract ends, the principal passes to the non-profit to advance their mission. It’s easy to see why the CGA is such a popular strategy. It’s a win-win!

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All About Beneficiaries

3 Things to Keep in Mind

Your beneficiary designations (not your will) control how certain assets, such as life insurance and retirement accounts, are distributed.

Name them

Read the instructions carefully. Be specific in your instructions and name primary and back-up beneficiaries.

Update them

As life goes on, your goals and priorities shift, certain accounts may grow more quickly than others, and family circumstances change. Do a review every 3-5 years and update beneficiaries as needed.

Coordinate them with your will and trust

Consult with professional planners to be sure your beneficiary designations work well together with the rest of your estate plan and take full advantage of tax benefits and planning opportunities.

When it comes to your legacy, you deserve the best.

If a loved one has heart problems, you're not going to take them to just anyone with the letters M.D. after their name. You want a cardiology specialist. Same goes here. When choosing an attorney or financial planner, don't settle for less than the best. Find an attorney who specializes in estate planning and interview financial planners until you find one you with whom you feel comfortable.

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An important note:

This is not your final will, but it's a great place to start collecting information before visiting with your attorney. Be as accurate as possible, and make sure to revisit your will when major changes occur in your life. Your estate plan is not one-and-it's-done job. It should be a steady occupation because the variables it's based on are constantly evolving. Your assets, your career and your transition into retirement, the needs of those closest to you and your philanthropic priorities, the cost of transferring your property to others—they are all likely to be different today than when you last signed your estate documents.

Will Starter Kit

A LITTLE PLANNING GOES A LONG WAY. WE CAN HELP.

No matter what your situation, your first step toward getting your estate plan started is to take inventory of your estate and get everything organized. This worksheet will help you create a comprehensive record of key pieces of information about your personal circumstances, assets, and debts.

This worksheet will help you:

- Create a consolidated view of all the important details about your estate.
- Simplify things for those who will be tasked with handling your affairs someday.
- Clarify your thinking about how you want things handled after you're gone.
- Give your estate planning attorney a head start on assessing your situation and preparing your plan.

Important things to keep in mind:

- Try to complete as much of the form as possible. You can always complete any missing information later.
- If you're completing this inventory as a couple, and you both have significant separate property, you may want to make a photocopy of this worksheet and prepare two inventories, rather than trying to fit everything onto one.
- You may attach additional sheets as necessary if you run out of space while listing all your assets.
- Keep a copy of this form in a safe place and let someone you trust know where to find it.

Important disclaimer: This is not a will, nor is it a legal document.It is designed to help your attorney to help you in preparation of your will.

I: PERSONAL

A Name

B Spouse's Name

C Home Address

D Mailing Address (if different)

E Home Telephone

F Work Telephone

G Your Date of Birth

H Spouse's Date of Birth

I Your Social Security Number

J Spouse's Social Security Number

K Marriage Place and Date

L Citizenship

II: PRIOR MARRIAGES

A Name of Former Spouse

B Date of Marriage

C Home Address

D Specify if the marriage terminated by death or divorce.
If terminated by divorce, please attach dissolution decree.

E Date of Termination of Marriage

F List any relevant information regarding any obligations, child support or maintenance that is not contained in any dissolution decrees you have attached to this form.

G Your Date of Birth

H Spouse's Date of Birth

I Your Social Security Number

J Spouse's Social Security Number

K Marriage Place and Date

L Citizenship

Please note: If you have been previously married more than once, please provide all requested information for any additional spouses on a separate sheet.

III: CHILDREN

Please note: If you have been previously married more than once, please provide all requested information for any additional spouses on a separate sheet.

A List all children from your current marriage, providing their names, dates of birth and addresses if different from your own:

1. _____

2. _____

3. _____

4. _____

5. _____

B List all children from any previous marriage or relationship, providing their names, name of the other parent, dates of birth, and addresses if different from your own:

1. _____

2. _____

3. _____

4. _____

5. _____

C List all children of your spouse from any previous marriage or relationship, providing their names, names of the other parent, dates of birth and addresses if different from your own:

1. _____

2. _____

3. _____

4. _____

5. _____

IV: DEPENDENTS

Are there any persons, other than minor children, who are partially or wholly dependent upon either you or your spouse for support now or possibly in the future? If so, please list their name and address and describe the nature of the relationship:

V: OTHER FAMILY MEMBERS

A List the names, dates of birth, parentage and current addresses of any grandchildren of you or your spouse:

1.

2.

3.

4.

5.

B List the names, addresses and birth dates of your parents, if still living:

Mother

Father

C List of the names, addresses and birth dates of any living siblings:

1.

2.

3.

4.

5.

VI: TRUSTS

A Do you currently receive income from a trust? ☐ **Yes** ☐ **No**
If so, please attach a copy of the trust document.

VII: INSURANCE

A Are there any life insurance policies in existence for either spouse? ☐ **Yes** ☐ **No**

B If so, please indicate the name of the policy holder and provide information regarding:

1. Name of Company(ies) _____

2. Type of Insurance _____

3. Amount and Cash Surrender Value _____

4. Designated Beneficiary(ies) _____

5. Policy number(s) _____

VIII: ASSETS IN JOINT TENANCY

Do you own any real or personal property as joint tenants with your spouse or third parties?
If so, please explain:

IX: RETIREMENT BENEFITS

A Are you enrolled in a retirement plan? ☐ **Yes** ☐ **No**

B If so, please provide information regarding the type of plan, current value and beneficiary designation:

X: GIFTS OR INHERITANCES

A Are either you or your spouse likely to receive any gifts or inheritances? If so, please describe:

_____

B Do either you or your spouse make, or intend to make, regular gifts to any person? If so, please describe:

_____

XI: ASSETS AND LIABILITY SCHEDULE

Please estimate your assets and liabilities:

Assets

Approximate Value

1. Real Property _____
2. Stocks and Bonds _____
3. Checking/Savings/Other Monetary Accounts _____
4. Cash Value of Life Insurance Policy _____
5. Retirement Benefits _____
6. Miscellaneous Property (including furniture, autos, boats, collections, etc.) _____

Total Assets: _____

Liabilities

Approximate Value

1. Mortgage or Deed of Trust or other amounts owed on real property _____
2. Other loans from financial institutions (consolidated loan, etc.) _____
3. Student loan(s) _____
4. Amounts owed on credit cards _____
5. Other liabilities _____

Total Liabilities: _____

_____

Net Worth (Assets - Liabilities) _____

XII: REAL PROPERTY

Please attach a copy of the deed for each parcel of real property that you own.

XIII: WILL PROVISIONS

A Personal Representative

A Personal Representative administers your estate in accordance with the instructions contained in your will. Please list a first choice and an alternate, in case the person who is your first choice predeceases you or is unable to serve:

First Choice

Name: _____

Address: _____

Relationship: _____

Alternate

Name: _____

Address: _____

Relationship: _____

B Distribution

1. Please list the individuals to whom you wish to leave your estate, providing instruction as to what percentage shall be received by each beneficiary:[1]

2. If any of your designated beneficiaries should predecease you, do you want to distribute the gift among surviving beneficiaries? Or pass the gift to the children of deceased beneficiary?

C Guardianship

If you die before your children reach the age of eighteen, whom do you wish to serve as their guardian?

First Choice

Name: _____

Address: _____

Relationship: _____

Alternate

Name: _____

Address: _____

Relationship: _____

D Charitable Interests

Please list those charitable organizations, including your church and/or synagogue, that you would like to bequeath an interest from your estate, and the approximate amount(s) or percentage(s) you would like to leave to each:

[1] Please do not list specific items of personal property, such as a lamp, car, etc. The distribution of these type of items can be better discussed during your initial meeting.

E Testamentary Trust

A testamentary trust is a type of trust that does not go into effect until the person who made the trust passes away. If you wish, you can create a testamentary trust in your Will to become effective upon your death. The classic reason to establish such a trust is to ensure the well-being of your minor children, finance their education, etc. However, a testamentary trust can be created to accomplish a wide variety of goals. If you are interested in creating a testamentary trust, or have questions, please indicate your wishes and questions below.

XIV: DURABLE POWER OF ATTORNEY

The Durable Power of Attorney becomes effective upon the proven incompetency of an individual to handle his or her own affairs. In this document, you would name a person who would take charge of your affairs (known as your "attorney-in-fact"). The value of this document is that it eliminates the need to establish a guardianship in the event of incompetency. An attorney-in-fact has the power to take any legal action that you would otherwise undertake yourself, including the transfer of funds or purchase or sale of real property, on your behalf.

A Do you need this document prepared? ☐ **Yes** ☐ **No** ☐ **Not sure. I need more info.**

B Who do you wish to nominate as your attorney-in-fact?

First Choice

Name: _____

Address: _____

Relationship: _____

Alternate

Name: _____

Address: _____

Relationship: _____

C Do you have questions? If so, please list:

XV: POWER OF ATTORNEY FOR HEALTH CARE

The Power of Attorney for Heath Care authorizes the designated attorney-in-fact to authorize or withhold medical care if you are unable to do so yourself. The person so designated should be a person with whom you have discussed issues such as use of medical means to prolong your life artificially. Your attorney-in-fact should be a person in whose judgment you trust.

A Please indicate whether you need this document prepared. ☐ **Yes** ☐ **No** ☐ **Not sure.** I need more info.

B **Who do you wish to nominate as your attorney-in-fact?**

First Choice

Name: _____

Address: _____

Relationship: _____

Alternate

Name: _____

Address: _____

Relationship: _____

C Do you have questions? If so, please list:

XVI: DIRECTIVE TO PHYSICIANS (LIVING WILL)

The Directive to Physicians clarifies a person's wish not to have his or her life "artificially prolonged" in the case of any injury, disease or terminal condition rendering such person unable to communicate.

A Please indicate whether you need this document prepared. ☐ **Yes** ☐ **No** ☐ **Not sure.** I need more info.

B Do you have questions? If so, please list:

XVII: PETS

Please indicate whether you are interested in having a trust to make sure that your pet is taken care of in the event of your death. ☐ **Yes** ☐ **No** ☐ **Not sure. I need more info.**

XVIII: OTHER

Is there any other information that you think may be important in planning your estate that I have not addressed? Please specify:

_____

_____

_____

_____

Please list your current professional legal and financial advisors here:

Attorney

Name: _____

Address: _____

Phone: _____

Alternate

Name: _____

Address: _____

Phone: _____

Stock Broker

Name: _____

Address: _____

Phone: _____

Insurance Agent

Name: _____

Address: _____

Phone: _____

NEXT STEPS

Would you like us to recommend some of the legal and financial advisors we know that could assist you?

☐ **Yes** ☐ **No**

A You can also have a no obligation and confidential consultation with us. We can review your estate planning information as it pertains to a potential bequest to our organization, and assist you with specific beneficiary designation language and/or naming opportunities in such a gesture. We can also review the additional ways-of-giving options that exist.

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B Bring this completed form to your attorney to begin the process of drafting the estate documents you will need.

NOTES

What's Next?

Even if you only need a simple will, it is advisable to seek the help of a qualified attorney. Writing a will is one of the least expensive legal tasks that you can request and it is well worth the investment to have it done by an expert.

It is also advisable to consult with a tax advisor or other financial professional(s) who can help develop a plan that meets your specific estate planning goals.

Lastly, should your plan have charitable intentions, work with a representative from the charity to ensure that your generosity will be used as intended. Clarifying your intentions will allow for the greatest impact.

Have Questions?

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Glossary

Your everyday, plain language guide to estate planning terminology

Here are a few terms you should be familiar with so you can have a meaningful conversation with your attorney. You don't have to remember them forever, and there will not be a test. You can even take this "cheat sheet" with you to meet with your financial advisor or to your attorney's office.

Annuity

An agreement that pays a fixed amount of benefits every year for the life of the person who is entitled to those benefits.

Appreciated Property

Securities, real estate, or any other property that has risen in value since the benefactor acquired it. Generally, appreciated property held by the donor for more than a year may be donated at full fair market value with no capital gains cost.

Beneficiary

The recipient of a bequest from a will or a distribution from a trust, retirement plan, or life insurance policy.

Bequest

A transfer of property or cash to an individual or organization under a will.

Codicil

A document that amends, rather than replaces, a will. Amendments made by a codicil may add or revoke a few small provisions or may completely change the majority or all of the gifts under the will. Each codicil must conform to the same legal requirements as the original will.

Durable Power of Attorney

A legal document that gives a person of your choice the power to handle important matters if you become incapacitated or unable to act on your own behalf. The trusted person you list can do things like pay your bills or make medical decisions for you, depending on the details included in the document.

Grantor

The individual transferring property into a trust.

Living Will

Also called a health care directive, this is a legal document that states a person's wishes about medical care in the event that person is unable to speak for him or herself.

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Glossary (continued)

Planned Gift
A major gift that uses current tax laws to maximize the gift's impact on the organization and return financial benefits to the donor.

Probate
The review or testing of a will before a court to ensure that the will is authentic and the estate is distributed properly. A good estate plan minimizes the cost and time needed for probate.

Revocable Living Trust
A trust you create during your life, titling all or selected assets to the trust, which will be managed by a trustee. It is called "revocable" because you can terminate the trust at any time during your life. You can serve as the trustee during your life if you wish. When you pass away, the trust will distribute or continue to manage the assets in accordance with your wishes.

Testamentary Trust
A trust created by a will that takes effect upon the death of the person who made the will.

Trust
A legal entity created by a written agreement by a grantor to hold and invest property for the benefit of the grantor and/or other beneficiaries.

Trustee
An individual or organization carrying out the wishes of the person who established the trust (the grantor), paying income to the beneficiaries, and preserving the principal for ultimate distribution.

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