



Have more Questions? Want more information?

Here are some answers to frequently asked questions and some definitions that you might find helpful in your considerations.

With the assistance of a well-informed financial advisor, anyone can craft a planned gift to meet his or her charitable and financial goals. If you're planning to discuss planned gifts with your advisor, please consider Leadership Wisconsin as one of your charitable giving options. Your support can insure the future of leadership development for generations to come.

Do I really need a will?

Yes. Every adult can and should leave instructions as to what will become of their property when they no longer need it. In the absence of these instructions, state laws take over and your property may be distributed to distant relatives, or, if none are found, possibly to the state itself.

But I don't really have an "estate"

If you take time to record all of the property you own, you may be surprised to see that it begins to add up. If you have particular items that you would like to go to certain individuals, your will can help to accomplish those wishes. Regardless of the size of your estate, you will benefit by taking the time to see an attorney and have a simple will drafted.

What if I already have a will?

Your will may be just fine as it is, but many people find that changes in circumstances may affect their plans. Marriages, births, deaths, divorce and other changes, such as moving to another state, are all good reasons for reviewing your plans.

If your previous beneficiary wishes have changed, you may want to update your plans. If you would like to leave part of your legacy to worthy causes and institutions, including Leadership Wisconsin, this will be the time to take action.

What about trusts?

More and more people have supplemented their estate

plans with a tool known as a revocable living trust. Property may be transferred at death via instructions in the trust just as it would with a typical will. The trust allows one to provide for the management of assets while the creator of the trust is still living and may help save estate taxes. This can add to peace of mind if one is alone and worried about what might happen with his or her affairs should they become unable to manage them. A trust may also be useful in providing support for dependents.

With such a trust, do I still need a will?

Yes. You will still need at least a simple will to take care of "loose ends." Such a will may simply direct that any property not already in the trust be transferred to it to be handled along with the other trust assets.

Is my will private?

Unless you choose to share it, your will remains private as long as you are living. Upon death, wills generally become part of the public record available from the court. Trusts, on the other hand, can remain confidential.

If you choose to include Leadership Wisconsin in your plans, we would appreciate your letting us know so that we may "thank you!" If you prefer, we will keep the fact of your bequest intention confidential. We understand fully if you prefer not to share specific amounts or if you have no way of knowing what might be left over for your charitable gifts.

Is this planning expensive?

That depends of the complexity of your situation. In most cases, the cost of planning is much less than you might think and may be less than the fees, bonds and taxes that might be due unnecessarily in the absence of good planning. An attorney should be willing to give you an estimate of fees in advance to help you make your decision.

For further information, please contact:

Linda Murray, Director of Development ,(608) 890-1026, linda.murray@ces.uwex.edu .We will be glad to help coordinate your plans with your attorney or tax advisor.

Common Terms & Meanings:

Administrator - The person appointed by the court to manage one's estate when he or she dies without leaving a will. Administrators have the same duties as executors.

Annuity - A sum of money payable yearly or at other regular intervals.

Appreciated Property - Property, such as real estate or stock, which has increased in value.

Beneficiary - An individual designated to receive benefits or funds under a will or other contract, such as an insurance policy, trust or retirement plan.

Bequest - To give or leave something by will, typically personal property or assets.

Charitable Gift Annuity - Typically an agreement in which you transfer cash or other assets to a charitable organization in exchange for its promise to pay you an annuity for life or for a term of years.

Charitable Trust - A trust having a charitable organization as a beneficiary.

Codicil - A legal instrument made to modify an earlier will.

Corporate Fiduciary - An institution that acts for the benefit of another. One example is a bank acting as trustee.

Cost Basis - The original value of an asset, such as stock, before its appreciation or depreciation.

Durable Power of Attorney - A written legal document that lets an individual designate another person to act on his or her behalf, even in the event the individual becomes disabled or incapacitated.

Estate Tax - A tax imposed at one's death on the transfer of most types of property.

Executor (or Personal Representative-- trustees, executors and administrators) - The person named in a will to manage the estate. This person will collect the property, pay any debt and distribute your property or assets according to the will.

Gift Tax - Tax on gifts generally paid by the person making the gift, rather than the recipient.

Gift-Tax Annual Exclusion - The provision in the tax law that exempts the first \$11,000 (as adjusted for inflation) in present-interest gifts a person gives to each recipient during a year from federal gift taxes.

Grantor - The person who transfers assets into a trust for the benefit of another.

Gross Estate - The total property or assets held by an individual as defined for federal estate tax purposes.

Guardian - An individual legally appointed to manage the rights and/or property of a person incapable of taking care of his or her own affairs.

Inter vivos - A type of trust created during one's lifetime to hold property for the benefit of another person.

Interest - Any right or ownership in property.

Intestate - The term applied when an individual dies without a will.

Joint Ownership - The ownership of property by two or more people, usually with the right of survivorship.

Life Insurance Trust - A trust that has the proceeds of an individual's life insurance policy as its principal.

Living Trust - A revocable trust established by a grantor during his or her lifetime in which the grantor transfers some or all of his or her property into the trust.

Living Will - A legal document directing that the maker's or signer's life is not to be artificially supported in the event of a terminal illness or accident.

Marital Deduction - A deduction allowing for the unlimited transfer of any or all property from one spouse to the other generally free of estate and gift tax.

Power of Attorney - A written legal document that gives an individual the authority to act for another.

Powers of Appointment - A right given to another in a written instrument, such as a will or trust that allows the other to decide how to distribute the property. The power of appointment is "general" if it places no restrictions on whom the distributees may be. A power is "limited" or "special" if it limits the eventual distributee.

Probate - The court process for determining the validity of a deceased person's will.

Testamentary Trust - A trust that is created upon death by the terms of a person's will.

Testator - An individual who dies leaving a will or testament in force.

Trust - A written legal instrument created by a grantor during his or her lifetime or at death for the benefit of another.

Trustee - The individual or institution entrusted with the duty of managing property placed in the trust. A "co-trustee" serves as trustee with another. A "contingent trustee" becomes trustee upon the occurrence of a specified future event.

Unified Credit - A federal tax credit that offsets gift tax and estate tax liability. For gift tax purposes, the unified credit remains at \$345,800 through 2009, which is equivalent to an applicable exclusion amount of \$1 million. For estate tax purposes, the unified credit is being gradually increased from \$345,800 in 2003 to \$1,455,800 in 2009, which is equivalent to an applicable exclusion amount of \$1 million in 2003 to \$3.5 million in 2009.

Will - A legally executed document that directs how and to whom a person's property is to be distributed after death.