



Your Legacy



A Guide to Planning Your Will

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Congratulations! By completing this guide, you're taking the first steps toward protecting your legacy and the assets you've accumulated throughout your life. Many people spend years building and conserving assets but don't take the time to spell out a plan to pass down these assets after they're gone.

The advantage of having a will is that it gives **you** the decision-making power for your assets after death. **YOU decide:**

- **Personal representative** (also known as executor) *Who will distribute your assets and personal property?*
- **Trustee(s)** *If you establish trusts through your will, who will administer them?*
- **Guardian for your minor children** *Who will raise and care for your children the way you desire?*
- **Beneficiaries of your estate** — family, friends, your favorite charities, etc. *Who will provide for your elderly parent, a disabled adult child, charitable causes you love?*

If you die without a will, the answer to all these questions is “the probate court.” Every state has its own rules and preset formulas for determining who makes decisions about your family and your assets. Total strangers may end up handling your estate. Charities you loved and supported during your lifetime are guaranteed to receive nothing.

Your will gives your executor the direction to distribute your assets as you wish. The good news is that the decisions you make now can protect the future for you and your family and preserve your legacy.

THERE ARE THREE BASIC STEPS IN THE ESTATE-PLANNING PROCESS:

1. Write Down What You Own

It is important to understand what property you own and what property will be transferred through your estate.

2. Know How Property is Transferred

Some property is transferred by will and some is transferred by a beneficiary designation or other form. You need to know how your property will be transferred in order to avoid an accidental disinheritance. With a good plan, your property can be transferred as you desire.

3. Sign Your Will and Medical Directives

It is important to sign the documents that correctly express your will and desires, both for your property and for your potential future personal care.

Making the Process Simple

Many people avoid this process because they aren't sure who to contact and what is needed to get started. The pages in this guide are designed to help you to consider how you want your assets distributed at death and to help you assemble the information your attorney needs to prepare your documents.

Covenant Trust can work closely with local attorneys to develop and implement the plan that's right for you. A Financial Services Representative (FSR) will meet with you and discuss your situation with no obligation on your part. Using the information you provide in this guide, the document-preparation forms you complete with your FSR will be forwarded to the attorney you've chosen. This attorney will review the information, consult with you and prepare the legal documents to comply with the laws of your state of residence.

To find a Financial Representative in your area visit us online at covenanttrust.com or call 800-483-2177

Already have a will? This guide can help you review your current plan and update it as needed. Wherever you are in life, having an estate plan that meets your wishes, desires and dreams can provide a sense of peace that frees you to do what you are called to do now.

Your Personal Information

Print names in ink, not pencil. Spell names exactly as you want them to appear in your documents. Always use legal names, not nicknames.

Date: _____

Your Full Legal Name

Date of Birth: _____ ☐ Male ☐ Female SSN #: _____

Address: _____

City, County, State, Zip: _____

Phone: _____ Email: _____

Present Marital Status:

☐ Married ☐ Single ☐ Divorced ☐ Legally Separated ☐ Widowed

Spouse's Full Legal Name

Date of Birth: _____ ☐ Male ☐ Female SSN #: _____

Address: _____

City, County, State, Zip: _____

Phone: _____ Email: _____

Have you previously been married?

☐ Yes ☐ No

Has your spouse previously been married?

☐ Yes ☐ No

Do you or your spouse have a prenuptial agreement that identifies and disposes of separate spousal property?

☐ Yes ☐ No (if yes, attach a copy)

If you are widowed, what date did this occur? _____

Are you a U.S. citizen or lawful permanent resident (LPR)?

☐ No ☐ Born in the U.S. ☐ Naturalized ☐ LPR

Spouse - U.S. citizen or lawful permanent resident (LPR)?

☐ No ☐ Born in the U.S. ☐ Naturalized ☐ LPR

Check which documents you presently have:

- ☐ Will
- ☐ Revocable Trust
- ☐ Living Will
- ☐ Durable Power of Attorney for Health Care
- ☐ Financial Durable Power of Attorney

Check which documents your spouse presently has:

- ☐ Will
- ☐ Revocable Trust
- ☐ Living Will
- ☐ Durable Power of Attorney for Health Care
- ☐ Financial Durable Power of Attorney

Your Children

This section should include all children, whether minors or adults, including deceased children and children from a prior marriage. Attach additional pages if needed. If you wish to exclude a child as a beneficiary of your estate, check the "exclude" box. If you have no children, write "NONE."

1. Full Legal Name

Date of Birth

SSN #:

☐ Married ☐ Single ☐ Needs Special Care ☐ Dependent ☐ Exclude

Home Address

City, State, Zip

Origin:

☐ Child of Present Marriage ☐ Child of Prior Marriage ☐ Deceased

2. Full Legal Name

Date of Birth

SSN #:

☐ Married ☐ Single ☐ Needs Special Care ☐ Dependent ☐ Exclude

Home Address

City, State, Zip

Origin:

☐ Child of Present Marriage ☐ Child of Prior Marriage ☐ Deceased

3. Full Legal Name

Date of Birth

SSN #:

☐ Married ☐ Single ☐ Needs Special Care ☐ Dependent ☐ Exclude

Home Address

City, State, Zip

Origin:

☐ Child of Present Marriage ☐ Child of Prior Marriage ☐ Deceased

4. Full Legal Name

Date of Birth

SSN #:

☐ Married ☐ Single ☐ Needs Special Care ☐ Dependent ☐ Exclude

Home Address

City, State, Zip

Origin:

☐ Child of Present Marriage ☐ Child of Prior Marriage ☐ Deceased

Your Estate Plan Goals

You will have several goals that can be carried out through your estate plan. Listed below are several types of goals. Please indicate how important these goals are by circling a number from one to five by each goal.

GOAL	RANKING (1-5 with 5 being the most important)				
Reduce estate taxes	1	2	3	4	5
Increase current income	1	2	3	4	5
Provide guardianship of minors	1	2	3	4	5
Provide for health care if disabled	1	2	3	4	5
Protect against liability	1	2	3	4	5
Create a charitable legacy	1	2	3	4	5
Sell appreciated assets tax-free	1	2	3	4	5
Plan for business	1	2	3	4	5
Other goals listed below:	1	2	3	4	5
	1	2	3	4	5
	1	2	3	4	5

In addition to stating the general goals you want your estate plan to accomplish, there are more specific things to consider as you develop your plan further. Your answers to these questions will guide your attorney in drafting documents that meet your needs.

- Are there any special concerns or objectives regarding children or anyone else to be provided for? Spendthrift heirs? Concerns about the spouses of your children? Dependent siblings or parents?
- Do any of your heirs have special needs that should be addressed in your legacy plan?
- Should your heirs receive their inheritance in a lump sum or in stages? At what age and under what circumstances?
- Is there a dollar-amount limit you want to leave to a spouse? Child? Grandchildren? Charity?
- Are there other business or educational opportunities you would like to provide for your heirs?

Comments:

Using Your Estate to Plan Your Legacy

For many, it's important to live on in the memory of family, friends and cherished causes or organizations. A good estate plan can help create a legacy that gives added meaning to your life. These questions will help you as you contemplate your charitable dreams.

- What kind of gifts appeal to you? Medical? Educational? Religious? Gifts in honor of someone special?
- What would you like these gifts to accomplish?

If you wish to include a favorite charity as a beneficiary in your will, it is important to include the following information in any bequest to an organization:

- **The dollar amount or percentage of the bequest.** A specific dollar amount may be used, but a percentage designates a portion of whatever remains in the estate. The resulting dollar amount may move up or down depending on the estate size, but the donor's desire to make a bequest is fulfilled.
- **The correct legal name of the organization and its location.** The right name is important. You must provide enough information so the organization can be readily identified and located.
- **Any specific instructions for use of the bequest.** Include a default provision to say what happens if the bequest cannot be used as you originally intended.

List charities here:

Name:

Address:

City, State, Zip:

Name:

Address:

City, State, Zip:

Name:

Address:

City, State, Zip:

Name:

Address:

City, State, Zip:

Your Executor and Trustees

Choosing a trustee/executor is one of the most important decisions you will make. There are significant responsibilities in being a trustee/executor. It's a role that requires expertise and knowledge that individuals may not always possess. The following information should be helpful to you in making this important decision.

The executor has significant responsibilities, some of which may be difficult or confusing. The role may take 1-2 years of work which carries not only legal liability, but also the risk of unpopularity with the estate's heirs and beneficiaries. For these reasons, you should give careful thought to your choice of executor. You should always name a second choice (a successor executor) in your will in the event your first choice is unable or unwilling to serve or predeceases you. If you don't make a choice, the probate court will!

GENERAL DUTIES OF AN EXECUTOR

- Probate the will
- Collect the assets
- Value the assets
- Manage the assets
- File final personal income tax return (1040)
- File estate tax return (706)
- File estate income tax return (1041)
- Pay debts, claims and expenses
- Distribute assets according to the document
- Account to beneficiaries and court

Your will is the legally binding expression of your wishes for the distribution of your property. The executor's job is to administer the estate and carry out those wishes.

Name your executor

Executor Name:

Address:

City, State, Zip:

Phone:

Email:

Relationship, if not a spouse:

Alternate executor

In case the person above is unable or unwilling to serve, name an alternate(s):

Alternate Executor Name:

Address:

City, State, Zip:

Phone:

Email:

Relationship, if not a spouse:

Your Guardian for Minor Children

Choosing a guardian of your minor children is a very important decision. Your guardian will raise your children, teach them values, select the schools they attend and perform the functions of a parent. If you do not have a guardian selected in a will, a court may select a person. That person may not share your cultural background, your religion, your general world view or any other aspects of the character that you think important for the person who raises your children.

If there are two parents, the survivor will usually be selected as the guardian of the children. In this case enter "Spouse" as the primary guardian. But if both parents pass away, then it will be necessary to select an alternate guardian. If you are a single parent, it is especially important to carefully select a primary and alternate guardian.

Please name your guardian for your children

Guardian Name:

Address:

City, State, Zip:

Phone:

Email:

Relationship, if not a spouse:

Alternate guardian

In case the person above is unable or unwilling to serve, name an alternate(s):

Alternate Guardian Name:

Address:

City, State, Zip:

Phone:

Email:

Relationship, if not a spouse:

Second alternate guardian

In case the person above is unable or unwilling to serve, name an alternate(s):

Second Alternate Guardian Name:

Address:

City, State, Zip:

Phone:

Email:

Relationship, if not a spouse:



Powers of Attorney

Your will is one piece of a basic estate-planning package. Two other important documents are the *Financial Durable Power of Attorney* and the *Durable Power of Attorney for Health Care*. Your will lays out provisions for after death; the powers of attorney provide a “contingency plan” in the meantime.

Power of Attorney for Financial Matters

A common concern is, “What if I am sick and am no longer able to manage my property?” A very good plan to protect yourself and your property is to have a Financial Durable Power of Attorney. If you are no longer able to manage your property or later wish to have someone else manage your property, this Financial Durable Power of Attorney will give the person you select the legal authority to buy, sell and manage your property.

Name a Durable Power of Attorney for Financial Matters

Financial Durable Power of Attorney Name:

Address:

City, State, Zip:

Phone:

Email:

Relationship, if not a spouse:

Alternate Durable Power of Attorney for Financial Matters

In case the person above is unable or unwilling to serve, name an alternate(s):

Alternate Financial Power of Attorney Name:

Address:

City, State, Zip:

Phone:

Email:

Relationship, if not a spouse:



Power of Attorney for Healthcare

There are two primary documents that will provide for your future healthcare. A Durable Power of Attorney for Health Care empowers another person you select to make key decisions on your care. A second document is a Living Will, which can inform critical care decisions in the final weeks of life.

It's important to ensure that the right person has been selected as your Durable Power of Attorney for Healthcare. It is called a 'durable' power because it is effective even if you are ill and not capable of making your own decisions. In some states, the Living Will and Durable Power of Attorney are combined in an "Advanced Directive" document.

Power of Attorney for Healthcare

Healthcare Power of Attorney Name:

Address:

City, State, Zip:

Phone:

Email:

Relationship, if not a spouse:

Alternate Power of Attorney for Healthcare

In case the person above is unable or unwilling to serve, name an alternate.

Alternate Power of Attorney for Healthcare Name:

Address:

City, State, Zip:

Phone:

Email:

Relationship, if not a spouse:

Personal Property Distribution

Your will or trust is designed to transfer property to the person you select. However, many states permit you to update and maintain a list of personal items that may be changed whenever you desire. Under the laws of most states, you are permitted to make a list of property that may include jewelry, silver, china, furniture, and collections of stamps, coins, art and other personal items that are movable. The advantage of this list is that you may update it as you buy or sell items or if you change your mind about who should receive them.

Talk to your attorney to see if you live in a state that allows for the use of this type of list and to find out what you need to do to make it legally binding.

Ways to Give or Transfer Personal Property

GIVE DURING LIFE

Many senior persons start the gift process during life. Giving personal items to children and other heirs can help them understand and appreciate the gift.

CONSIDER PREFERENCES

Some children may desire a piano or other instrument. Others may prefer to receive valuable books or china. Discuss the preferences of heirs to make gifts that will be most meaningful to each person.

LEAVE INSTRUCTIONS

A list can be very useful. Other items could be distributed through a “rotating-choice” approach. Everyone meets together and each person takes a turn selecting one item.

Anytime you update your list, make a copy and send the original to your attorney or personal representative for safekeeping.

	DESCRIPTION	RECIPIENT
1.		
2.		
3.		
4.		
5.		
6.		
7.		
8.		
9.		
10.		
11.		
12.		
13.		
14.		
15.		

Signature:

Date:



Three Beneficiary Designations to Review

Certain assets have “beneficiary designations,” allowing them to bypass probate filings. Because the beneficiary you list on these assets bypasses your will or trust, and even the default laws of your state, you have to be especially careful to keep beneficiary designations up to date.

- **Your traditional and Roth IRAs**
- **Your 401(k) or other employer-sponsored retirement plan**
- **Your life insurance policies**

Three Signals That It Is Time to Update Your Will

Be sure to update your estate plan when you experience any of these events.

A change in your family or marital status

Is there a new arrival in your family, or did your children become adults? Is there a marriage or divorce in the family? Did someone pass away? Any of these changes would signal it's time to look at your estate plan.

A change in the federal or state tax laws

Yes, legislative bodies do make changes that affect each of us. You want your estate plan to keep up! If you moved to a different state, your estate plan may need to be tweaked to ensure it still accomplishes your goals.

A desire to make a gift

Our hearts will tell us who we are called to support with our gifts. Make a periodic review of your legacy plans to ensure that they reflect your evolving preferences or wishes. Include your directions to give in your will so you know the gift will be made as you direct.

Your Personal Net Worth

Calculating your net worth for the first time isn't easy, but it is the first step in your financial planning. Once you have established a pattern, it becomes simple to update this guide for management of your resources. Each time you update, you will see the progress you are making.

Tips for Estimating Your Net Worth

- **BE HONEST** with yourself. Your assets are worth what you can sell them for, not what you originally paid for them.
- **STOCKS AND BONDS** should be valued at the market price on the date of your calculation.
- **YOUR PENSION RIGHTS**, if vested, and/or your share in a profit-sharing plan are part of your net worth.
- **TAX SHELTERED FUNDS** (IRAs, etc.) should also be included in your net worth calculation.
- Don't forget the **CASH** and other conversion values of your insurance. Your insurance company can supply these figures.
- **YOUR HOME** or other real property is worth no more than it would bring on the market, minus any sales costs. You can approximate the worth of your house by the current prices of similar homes in the neighborhood, or you can ask a real estate agent. But remember, an agent may place the value high enough to permit bargaining.
- In general, **HOUSEHOLD GOODS** are worth far less than what you paid for them new or what they would cost to replace. Unless you have rare antiques or art objects, your furnishings are worth only what they would bring on the secondhand market. Automobiles are worth what you might get from a used car dealer.

You can make your **NET WORTH STATEMENT** as simple or as detailed as you wish. It should be complete enough to show you how you stand now, in order to measure your financial progress in the future. A list of your assets and liabilities is important when planning your estate. You may find the form on the next pages helpful.

CHECKING, SAVINGS, MONEY MARKET ACCOUNTS AND CDs

IDENTIFICATION OF THE ACCOUNT	MONTHLY ADDITIONS	OWNERSHIP	BENEFICIARY	CURRENT VALUE
TOTAL:				

NON-QUALIFIED (NON-IRAS) INVESTMENTS (Stocks, Mutual Funds, Real Estate Investment Trusts, Non-Qualified Annuities, Limited Partnerships, Stock Options, Deferred Compensation)

IDENTIFICATION OF THE ACCOUNT	PURCHASE DATE	COST BASIS	MONTHLY ADDITIONS	OWNERSHIP	BENEFICIARY	CURRENT VALUE
TOTAL:						

QUALIFIED INVESTMENTS (Traditional IRAs, Roth IRAs, 401(k)s, TSA/403(b)s, 457s, SEP IRAs, Simple IRAs, Profit-Sharing Plans, Money Purchase Pension Plans, etc.)

IDENTIFICATION OF THE ACCOUNT	TYPE OF ACCOUNT	MONTHLY ADDITIONS	OWNERSHIP	BENEFICIARY	CURRENT VALUE
TOTAL:					

OTHER INVESTMENTS (UTMAs, UGMAs, Coverdell ESA, 529 Plans, Notes Receivable, Investment Real Estate, Business Interests, etc.)

IDENTIFICATION OF THE ACCOUNT	MONTHLY ADDITIONS	OWNERSHIP	BENEFICIARY	CURRENT VALUE
TOTAL:				

PERSONAL ASSETS

IDENTIFICATION	PURCHASE PRICE	OWNERSHIP	COMMENTS	CURRENT VALUE
Primary Residence				
Secondary Residence				
Auto/Personal Property				
Other:				
Other:				
TOTAL:				

LIABILITIES (Other = Student Loans, 401(k) Loans, Life Insurance Loans, Margin Loans)

IDENTIFICATION	DATE LOAN TAKEN	ORIGINAL LOAN BALANCE	MONTHLY PAYMENT	LENGTH OF LOAN	INTEREST RATE	OWNERSHIP	CURRENT BALANCE
Auto Loan							
Credit Card Debt							
Other:							
Other:							
TOTAL:							

REAL ESTATE LIABILITIES

IDENTIFICATION	DATE LOAN TAKEN	ORIGINAL LOAN BALANCE	MONTHLY PAYMENT	LENGTH OF LOAN	RATE	OWNERSHIP	CURRENT BALANCE
1 st Mortgage							
2 nd Mortgage							
Home Equity Loan							
Home Equity Line of Credit							
TOTAL:							

TOTAL ASSETS:**SUBTRACT TOTAL LIABILITIES:****TOTAL NET WORTH:****EMPLOYER/COMPANY-PROVIDED LIFE INSURANCE**

Please check if none _____

INSURED (NAME)	BENEFICIARY	TYPE: SELECT ONE	DEATH BENEFIT	ANNUALIZED EMPLOYEE PREMIUM
		Term/UL		
		Term/UL		
		Term/UL		

PERSONAL LIFE INSURANCE

Please check if none _____

OWNER (NAME)		INSURED		BENEFICIARY	
1					
2					
3					
4					
CURRENT DEATH BENEFIT	CASH VALUE	ANNUALIZED PREMIUM	CARRIER NAME	POLICY TYPE	ISSUE DATE
1					
2					
3					
4					

LONG-TERM CARE INSURANCE

Please check if none _____

INSURED (NAME)	PRIVATE OR EMPLOYER SPONSORED	CARRIER NAME	DAILY BENEFIT	ANNUALIZED PREMIUM



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