

Your guide to a
**CHRISTIAN
WILL**



Presbyterian Church
(U.S.A.) Foundation

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An Act Of Faith

When you make a Christian will, you are planning for the future of the people you love while helping the Church or Presbyterian mission which you support. A will can be written to accomplish a variety of needs, such as benefitting family and friends. It can also fulfill your desires to support a particular mission or program through a charitable bequest.

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The Presbyterian Church (U.S.A.) Foundation

The Presbyterian Church (U.S.A.) Foundation is one of the largest church-affiliated organizations in the United States. For nearly 200 years, the Presbyterian Church (U.S.A.) Foundation has carried out our legal responsibility and fiduciary duty to ensure that the donor's wishes for each gift are fulfilled and that funds are used for no other purpose than those which donors have designated.

The Foundation can process bequests of cash, securities or real estate for your ultimate charitable beneficiaries. Many individuals have found it relieves the burden from the local church for accepting these types of gifts, while giving the confidence of knowing your gift will be distributed as you intended.

Making a will takes careful planning. Consult with your attorney or other advisor for financial and estate planning advice. Ask your pastor for more information about including the Church in your will. Or call the Presbyterian Church (U.S.A.) Foundation. One of our development officers will be more than happy to discuss any question you may have about making a charitable bequest.

To contact the Presbyterian Church (U.S.A.) Foundation, call toll-free, 1-800-858-6127.

Start At The Beginning

Many people put off making a will because the task seems overwhelming. The process is not really that difficult, yet each will is unique, and must be structured to fit the particular needs and estate plans of each individual and the laws of the state in which they live. For this reason, you should consult a lawyer to assist you in drawing up your will and estate plans.

Assets

First, list everything you own—money, property, life insurance, pension, investments—and how your property is owned, either individually or jointly. A **Personal Record Book** is available from the Presbyterian Foundation to help you organize the information.

Beneficiaries

Next, identify and list the people, organizations and causes that mean the most to you. Try to determine how you would like to divide your possessions among those on this list.

Executors

Once you have reviewed your assets and listed your beneficiaries, it is important to name the person(s) who will see that your wishes are carried out. The executor may be a friend, relative, attorney or representative from a bank or trust company. An alternate to your first choice should always be named.

Plan Your Charitable Bequest

There are three important considerations in planning your charitable bequest to achieve your goals: will your gift be restricted in use, what will be the amount of your gift, how will your gift be distributed?

1. A restricted or unrestricted gift

With a restricted bequest, you name specific causes you wish to support. This could be a special program of your local church, or a particular program of the Presbyterian Church (U.S.A.) or other Presbyterian-related organization. With an unrestricted bequest, you permit the church or institution to use your gift where the need is greatest.

2. Amount of the bequest

Once you've reviewed your estate plan, you can reasonably determine the amount of your charitable bequest. You may choose a specific dollar amount or a percentage of your estate. Another option is to make a charitable bequest of the residual of your estate, which is determined after other bequests have been made to your heirs.

Example:

Betty Templeton has enjoyed the companionship and services at the retirement home where she has resided for the last 10 years. Her income is provided through Social Security and a teacher's retirement fund. She would like to leave a gift to the retirement home, but is unsure what amount of money will be available after her death. She has decided to leave a percentage of her estate, as this will adjust for any substantial changes in the value of her estate.

You Can Make Changes

The benefits of having a Christian will can be most desirable, both spiritually and financially. And, as with all wills, nothing is "carved in stone." You can change your will at any time for whatever reason you want – births, deaths, changes in marital and financial status, the choice of a new executor, etc. Your will can be changed by an amendment called a codicil. It, too, is easy to do with a lawyer's assistance.

Formalizing Your Will

Once you have made the decisions about how you would like your assets distributed, and to whom, you are ready to formalize your will.

This should be done by an attorney, so that the proper language and legal terms can be used. Employing an attorney will ensure that your intentions are clear and concise. This prevents the possibility of misunderstanding and delay in probating your will and ensures your will complies with the specific requirements of your state.

Example:

John Adams would like to provide for his handicapped sister as well as make a gift to the First Presbyterian Church he has attended for many years. He bequeathed a substantial portion of his estate to a pooled income fund which will make payments to his sister for the remainder of her lifetime, after which, the principal will go to the Church.

Other Ways To Make Charitable Gifts

There are other opportunities for you to make charitable gifts within your estate plans but outside your will.

- **Revocable Trust**

A revocable trust involves the transfer of assets to a trustee to be managed for the benefit of selected beneficiaries. You decide the powers and responsibilities of the trustee. The trustee will invest your money and pay income to you or a designated income recipient at specific intervals. At your death, income could be paid to family members and pass to the charity of your choice at the end of their lifetimes.

The trust is a separate instrument (not part of the will). Management and distribution of assets can be confidential.

- **Life Insurance**

You may want to consider using an insurance policy as a charitable gift by naming the charity as a primary or contingent beneficiary. There are a variety of ways to use an insurance policy to make a substantial gift without affecting the support intended for loved ones.

3. Distribution of your gift

The last major consideration is for the distribution of the gift to the charitable beneficiary(ies) you selected. It is your decision whether your beneficiary will receive a lump sum distribution, or whether your gift is to be invested, and only the income made available to the beneficiary. The Presbyterian Church (U.S.A.) Foundation can administer a gift specified in your will and distribute it as you designate or can manage a permanent fund to pay only income to the local church or a mission cause you name. You may want to create a testamentary trust or one of several life income plans to provide for loved ones with the gift distributed to charity after the lifetime of the income recipient. For more information on life income plans, contact the Foundation.

- **Direct Bequest**

You may wish to make a gift directly to a mission cause, local church, presbytery, synod or other organization.

Example:

Jennifer Malone has been a member of the First Presbyterian Church located in San Diego, CA, for over 20 years. Jennifer is an elder, and has been involved in many volunteer activities at the church. It is her wish to leave an unrestricted gift to her church for programs to be directed through the session. This gift was made directly to the First Presbyterian Church.

• Memorial or Permanent Fund

A bequest can establish a memorial fund. A memorial fund (also known as a permanent fund) is created and the income is distributed according to your wishes. The principal is invested and will continue to create income for many generations to come. The fund can be established in your name or in memory of a loved one.

Example:

Sarah Miller had struggled through a divorce and the death of her father all within the same year. Sarah turned to the counseling center at her church and felt she couldn't have made it through that difficult year without the help of the staff at the center. She decided she wanted to repay her gratitude and ensure the services of the center would be available to others. Since Sarah was to make changes to her will due to the divorce, she used the opportunity to make a bequest to establish a memorial fund in the name of her father. The fund will provide income to the counseling center to continue offering its services to those who otherwise could not afford them.

• Testamentary Trust

You may place property or assets under the management of a trustee, often a bank or trust company. The trust instructs the trustee how to manage the assets and make distributions to your beneficiaries this may be especially important if you wish to protect your beneficiaries from inexperience in managing assets.

A testamentary trust is established in your will, but does not become effective until your death. You may change your will and the items of the trust at any time during your life.

Example:

Edward and Ruth Stone want to be sure their young children have the opportunity to attend college. Their wills state that in the event both parents die, the estate would be placed in the hands of the trustee. The trust includes provisions on how the money is to be invested and made available for their children's college education. Lastly, the trust's final distributions include charitable gifts.

• Charitable Life Income Plans

These plans provide income to loved ones during their lifetimes while deferring a gift to charity. (Life Income plans available through the Presbyterian Foundation include: Charitable Gift Annuity, Pooled Income Fund, Charitable Remainder Annuity Trust and Charitable Remainder Unitrust.) After the lifetime of the designated beneficiary, the charitable remainder will go to the named charity as you have instructed. Your estate may be able to deduct the charity's deferred interest on its estate tax return. Note: All plans have restrictions for beneficiaries and specific wording. It is best to seek advice from your lawyer or estate planning advisor.