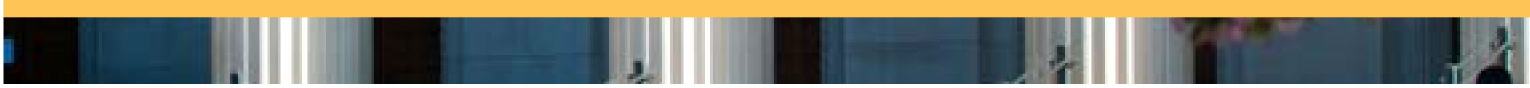
ESTATE PLANNING GUIDE

University of Minnesota
FOUNDATION



Creating your plan

Everyone, regardless of the size of their estate, needs a plan to ensure that any assets they own will go to the people and organizations they choose. If you do not have an estate plan, state law will determine the distribution of your assets, without taking into account your wishes or the needs of your loved ones. If you have minor children, you need a will to name a legal guardian to care for your children.

Having a plan gives you peace of mind, knowing that your wishes will be carried out. It can also provide guidance to your loved ones if they need to make difficult decisions about your care. A well-crafted estate plan can potentially reduce taxes and minimize administrative costs, allowing you to give more to the people you love and organizations that are important to you.

Estate planning may seem like a daunting task, but it doesn't have to be. This guide provides some ideas and information to help you create an estate plan or update your current plan.

Steps to creating your estate plan

1

Set your estate planning goals

Whether it's taking care of your loved ones, preserving your assets, or planning gifts to your favorite charitable organizations, the first step to creating your plan is to identify what your goals are. You can use the questions on **page 3** as a starting point.

2

Take an inventory of everything you own

Use the inventory on **page 5** to gather information about you, your family and other beneficiaries, as well as your assets and liabilities, your wishes for end of life planning, contact information for your advisors and any current estate planning documents you have.

3

Think about how you want your assets distributed

Consider the people and organizations you would like to provide for in your estate plan and begin listing them on **page 13** in this guide.

4

Make an appointment with an estate planning attorney

If you don't have an attorney, talk with neighbors, friends or family members to see if they have a recommendation. If you have a financial or tax advisor, they may be able to refer you to an estateplanning attorney in their professional network. You can also check your state's Bar Association directory for an estate planning attorney in your area.

5

Share your plans with others

It's important to tell the person(s) you have designated to serve as your executor/personal representative/trustee where your important documents are located, including your estate planning documents, important contact information and your usernames and passwords for any online financial accounts. If you have named any charitable organizations in your plans, let them know about your future gift to ensure they understand how you would like the gift to be used.

1 Set your estate planning goals

Whether it's taking care of your loved ones, preserving your assets, or planning gifts to your favorite charitable organizations, the first step to creating your plan is to identify what your goals are. You can use the questions on page 5 as a starting point.

It is important to think about what you would like to accomplish with your estate plan. Whether your goal is to take care of your loved ones, preserve your assets, or plan your gifts to your favorite charitable organizations, a well-crafted estate plan can ensure your goals are met.

Estate planning goals

Date:

As you think about your goals, consider the questions below. Answering these in advance can better prepare for your meeting with an estate planning attorney.

Who would you like to appoint to administer your estate?

Who should make financial or care decisions for you if you are unable to?

Who are the people in your life you want to provide for financially?

Do any of the individuals you would like to benefit have special needs?

Are any of your beneficiaries minor children?

Do you need to name a guardian for minor children?

Do you need to provide for the care of a pet?

Are there charitable organizations that you would like to benefit? ☐ Yes ☐ No

2

Get organized—inventory everything you own

Use the estate planning inventory to gather information about you, your family and other beneficiaries, as well as your assets and liabilities, your wishes for end of life planning, contact information for your advisors and any current estate planning documents you have.

Once you have hired an attorney, you will likely be asked to provide information about you, your family and your assets. Your attorney will need this information to begin developing your estate plan. This inventory can help you organize your information. ***You may also want to consult with your attorney to see if they prefer to use their own inventory form.*** In addition to an inventory, you will need to provide your attorney with copies of any existing wills, trusts, powers of attorney, retirement plan accounts, life insurance policies, deeds and other relevant documents.

Estate planning inventory

Personal data

Name	Birth Date

Home Address	City	State	ZIP

Home Phone	Email

Business Address	City	State	ZIP

Business Phone	Email	Occupation

Family data

Spouse

Name	Birth Date

Children

Do you have any children? ☐ Yes ☐ No

If yes, please provide the following information:

Name	Birth Date

Professional advisors

Legal

Name	Phone		
Address	City	State	ZIP

Taxes

Name	Phone		
Address	City	State	ZIP

Insurance

Name	Phone		
Address	City	State	ZIP

Financial

Name	Phone		
Address	City	State	ZIP

Financial information

Asset Description (attach a statement or separate listing if more room is needed)

	Estimated Value	Owned By You	Owned by Spouse	Joint Owners
Bank Accounts, CDs:		☐	☐	☐
Mutual Funds:		☐	☐	☐
Bonds, Notes		☐	☐	☐
Stocks		☐	☐	☐

Real Estate

Asset Description (attach a statement or separate listing if more room is needed)

Principal Residence

Address	City	State	ZIP

Estimated Value $: ______ Tax Assessment $: ______

Ownership: ______ Amount of Indebtedness, if any: ______

Other Real Estate (vacation home, farm, rental property, etc.)

Please list state of location, estimated value, indebtedness and ownership:

1.

2.

3.

4.

5.

6.

Personal property

Please describe, list estimated value and ownership:

Furnishings

Jewelry

Automobiles

Collectibles

Art

Other

Safe deposit box

Please describe contents, list estimated value and ownership:

Commercial annuities

Name	Estimated value	Owned by you	Owned by spouse	Joint owners
		☐	☐	☐
		☐	☐	☐

Beneficiaries of the listed annuities:

Investment accounts

Name	Estimated value	Owned by you	Owned by spouse	Joint owners
		☐	☐	☐
		☐	☐	☐

Beneficiaries of the listed investment accounts:

Retirement Plans, Pension, Profit-sharing, 401(k), 403(b), etc.

Name	Estimated value	Owned by you	Owned by spouse	Joint owners
		☐	☐	☐
		☐	☐	☐

Beneficiaries of the listed plans:

Life Insurance

Name	Estimated value	Owned by you	Owned by spouse	Joint owners
		☐	☐	☐
		☐	☐	☐

Beneficiaries of the listed policies:

Business interests (corporate, partnership, proprietorship, etc.)

Name	Estimated value	Owned by you	Owned by spouse	Joint owners
		☐	☐	☐
		☐	☐	☐

Beneficiaries of the listed policies:

Are there any loans? ☐ Yes ☐ No

Indebtedness description (please list any liabilities that are not already listed under the Asset Description section; attached a separate listing if more room is needed):

Summary of financial information

Assets	Owned by you	Owned by spouse	Joint owners
Bank accounts/CDs:	$	$	$
Mutual funds:	$	$	$
Bonds, notes:	$	$	$
Stocks:	$	$	$
Real estate:	$	$	$
Tangible property:	$	$	$
Annuities:	$	$	$
IRAs:	$	$	$
Retirement plans:	$	$	$
Life insurance:	$	$	$
Business interests:	$	$	$
Total assets:	**$**	**$**	**$**

Liabilities	Owned by you	Owned by spouse	Joint owners
Auto loans:	$	$	$
Personal loans:	$	$	$
Mortgages:	$	$	$
Business loans:	$	$	$
Pledges:	$	$	$
Life insurance:	$	$	$
Other:	$	$	$
Total liabilities:	$	$	$

Total net worth:	$	$	$

Income (please list annual income from all sources)

You

Spouse

Joint

Estate planning documents (please provide copies to your attorney)

	You		Spouse	
Existing will/trust	☐ Yes	☐ No	☐ Yes	☐ No
Date of will/trust				
Date of last codicil				
Name of executor				
Name of guardian(s)				

Other estate planning documents

(please describe and provide copies—examples may include: living trusts, insurance trusts, living wills, health care proxy, power of attorney, charitable trust, charitable gift annuity, premarital agreement, etc.)

	You		Spouse	
	☐ Yes	☐ No	☐ Yes	☐ No
	☐ Yes	☐ No	☐ Yes	☐ No
	☐ Yes	☐ No	☐ Yes	☐ No
	☐ Yes	☐ No	☐ Yes	☐ No

3

Think about how you want your assets distributed

Consider the people and organizations you would like to provide for in your estate plan. Do you want to give a percentage of your estate, a specific dollar amount, asset or item of personal property?

Distributing your assets: beneficiaries

Individual beneficiaries (list names and what you wish to give):

Charitable beneficiaries (list names and what you wish to give):

4

Make an appointment with an estate planning attorney

If you don't have an attorney, talk with neighbors, friends or family members to see if they have a recommendation. If you have a financial or tax advisor, they may be able to refer you to an estate planning attorney in their professional network. You can also check your state Bar Association directory for an estate planning attorney in your area.

Estate planning terms

Before you meet with your attorney, here are some common estate planning terms to familiarize yourself with:

Beneficiary: a person or entity that receives assets from a will or other contract, such as a trust, life insurance policy or retirement account.

Beneficiary designations: some assets, like life insurance and retirement accounts do not pass according to the terms in your will or trust, but rather by designating a beneficiary on the financial account to receive the asset directly after the owner's death. Assets that pass by beneficiary designation do not have to go through probate.

Bequest: a gift to an individual or entity from a will

Grantor: Individual who transfers assets into a trust for the benefit of themself or others

Payable on Death (POD): An individual with a bank account can designate a beneficiary who will receive the funds in the account after their death. By adding a POD designation on the account, the funds will pass directly to the beneficiaries without going through the probate process.

Personal representative/executor: a person designated in a will to carry out the terms of the will and administer the estate

Power of Attorney (POA): a legal document that allows a person to make legal, financial or medical decisions for someone else. A financial POA gives someone the authority to act over another's financial affairs. A medical or healthcare POA gives someone authority to make healthcare decisions for someone else if they are unable to do so.

Probate: a court proceeding to appoint the personal representative/executor, determine the validity of a will, and administer the estate

Qualified retirement plan: a retirement account funded with assets that have not been and will not be taxed until withdrawn from the account

Transfer on Death (TOD): An individual with an investment account can designate a beneficiary who will receive the money in the account after their death. By adding a TOD designation on the account, the funds will pass directly to the beneficiaries without going through the probate process.

Transfer on Death deed: a legal document that allows owners of real estate to name a beneficiary to receive the property at their death. The property transfers directly to the beneficiary without going through the probate process.

Trust: an arrangement in which a trustee owns and manages assets for the trust beneficiaries

Trustee: the person or organization trusted to own and manage assets for the beneficiaries

Will: legally executed document that directs what will happen following the person's death

5 Share your plans with others

It's important to tell the person(s) you have designated to serve as your executor/personal representative/trustee where your important documents are located, including your estate planning documents, important contact information and your usernames and passwords for any online financial accounts. If you have named any charitable organizations in your plans, let them know about your future gift to ensure they understand how you would like the gift to be used.

Notes for my personal representative/executor/trustee:

(include the location of important documents, electronic account passwords, etc.)

Leaving a legacy at the University of Minnesota

To include a gift for the University of Minnesota in your will or trust, here is our suggested language for your estate documents:

"I give [the sum, percentage, or description of property] to the University of Minnesota Foundation, Minneapolis, Minnesota, to be used [for the benefit of the college, campus, or program] or [according to my written instructions on file with the foundation]."

You may also want to consider naming the University of Minnesota as a beneficiary of your retirement assets. Individuals who inherit tax-deferred retirement assets will owe income tax on the amount they receive. If left to qualified charitable organizations, these assets pass tax-free. If you would like to provide for both individuals and charitable organizations in your estate plan, consider using tax-deferred retirement assets for your charitable gifts, and provide for individuals using other, more favorably taxed assets.

To designate a gift to any area of the University of Minnesota, the following information should be used when completing the beneficiary designation document:

Name: University of Minnesota Foundation

Address: 200 Oak St. SE, Suite 500, Minneapolis, MN 55455

UMF Federal Tax ID number: 41-6042488

If you have included a gift to the University of Minnesota or M Health Fairview in your will or trust, or through a beneficiary designation on your retirement account, life insurance policy, or other type of estate gift, thank you!

You can confidentially share your gift with us by completing our **estate gift form** online at ***z.umn.edu/estategift.*** The University of Minnesota Foundation uses this form to record how you would like your gift to be used when it's received. As with any gift, you may choose to direct your estate gift to a specific campus, college or program. If you are unsure how you would like your gift to be used and would like to discuss options that would be meaningful to you, please contact the University of Minnesota Office of Gift Planning at (612) 624-3333 or plgiving@umn.edu.

Exercise: Aligning your giving with your values

This exercise is designed to help you align your values and experiences with your philanthropic vision and legacy goals. It can be completed on your own or as a family.

Step 1: Articulate your values and vision (Answer the questions below from your individual perspective.)

What experience most shaped the person I am today?

How has the generosity of others impacted me? Share an example.

What is something I am very proud of?

What is one experience I think everyone should have in their life?

What community, regional or global issue would I most like to solve?

If there were no limits on my ability to give, what would I like to accomplish through my giving?

Step 2: Describe your legacy

How would I like to be remembered after my lifetime?

What is the most meaningful charitable gift I've given and why?

What values or lessons do I want to pass on to others?

Step 3: Take time to reflect on your answers to the questions in Step 1. What do they reveal about you, the values you hold dear and how you want to be remembered? If completing as a family, discuss and share your individual answers with each other and record the common areas, if any.

Step 4: Based on your responses to Steps 1 and 2, answer the following questions about what kind of impact you want to make in your community, to the mission of your favorite charities, in the world, etc. Your answers will help identify your priorities for giving now and through your will, trust or other estate plan.

Connecting values and vision

Why do I give? How do my values influence my giving choices and what I want to accomplish through my giving?

What impact do I want to have? What problems do I want to solve, what changes do I hope to see? *Be specific and let your values, passions and imagination guide you. This is your philanthropic vision*

Where do I want to make an impact? *Do I want to focus my giving on a particular geographic area, in a particular field, toward a specific passion?*

Who do I want to support? *Do I want to focus my giving on a particular cause, organization, group of people?*

Legacy in action

How will I make a difference? *What are some ways that I will accomplish my giving? For example--help people or organizations meet immediate needs, focus on long-term solutions, volunteer, give to organizations that have impacted you personally, give as a family. Narrow your focus to 3 choices that best match your values, vision and legacy goals.*

You may find it helpful to look at your total assets as a pie to be divided among your heirs and favorite charities (example: a whole pie is 100% with 25% of the pie allocated to your favorite charity or charities).

University of Minnesota

Crookston Duluth Morris Rochester Twin Cities