

LEGACY FOR LIBERTY

FALL 2010

That's the American Way

EXERCISING YOUR RIGHTS

Why do people neglect the right and responsibility of making or updating their wills and other estate plans? Some believe they are too young, not wealthy enough, or that it will cost too much. Others rely on a will they made in the past, which they may not realize is obsolete. Most often, however, estate plans simply get put off until it's too late.

STATE LAWS DICTATE

Whether you have an estate plan or not, instructions are actually in place to direct the final distribution of your property. In the absence of a valid will, for example, state laws distribute your property in specified portions among relatives, regardless of what your wishes may have been.

YOUR RIGHT TO PLAN

For some people, a "state-made" will may be enough. But for most, whether they are wealthy or of modest means, it is important to exercise their right to plan. When properly drafted by a qualified attorney, a will can minimize estate settlement costs and taxes that may otherwise be due, arrange for your property to be managed as you want, and provide for your spouse, children, friends, and others you wish to remember.

MAKING WISHES KNOWN

Gifts to trusted organizations also find a place in the wills of many who wish to lend their support to PFAW and other causes beyond their lifetimes. Giving through your will can be a flexible way to preserve your future legacy after your family's needs have been met.

DON'T DELAY

Your will and other plans are personal statements. You have the right to distribute your property after you no longer need it. If we can be of help in any way with these aspects of your plans, please don't hesitate to contact our planned giving staff or visit our website at pfaw.aboutgiving.net.

INSIDE:

- Choosing the best ways to give
- Reducing probate costs
- Planning for incapacity

Check out our website: pfaw.aboutgiving.net



CHOOSING THE BEST WAYS TO GIVE

Your will and related plans can be extremely flexible tools. Consider the different options when you are deciding how to distribute property:

LEAVING A FIXED AMOUNT

Your will can specify a fixed amount to be given to a particular recipient. This can make sense if you would like to ensure that a certain amount is received by an heir before leaving any remaining assets to others.

Remember, however, that your financial situation may change over time. It is especially important to periodically review your will and other plans to be sure they reflect your current desires.

DESIGNATING SPECIFIC ASSETS

Similarly, you can use your will to leave a particular item or asset to a specific beneficiary. As when providing a bequest of a certain dollar amount, this allows you to know exactly which asset a loved one or charitable interest will receive. Be careful, however, to update your plans should you sell or give away assets during your lifetime that you have designated for others in your will.

It's also a good idea to discuss your intentions with the intended recipient in advance. You don't want to burden them with an asset they may not need or are unable to use.

GIVING ADJUSTABLE AMOUNTS

Leaving designated percentages of your estate allows you to give proportions rather than specific

amounts. The amounts received are then automatically adjusted as your finances change. Consider this option if you have less specific goals in mind.

GIVE "WHAT'S LEFT"

The residue of your estate is what remains after all other distributions have been made. After first providing for your family and other loved ones in the amounts you determine to be appropriate, many choose to devote all or a portion of the residue of their estate to charities or other trusted nonprofits, such as People For the American Way.

WILLS OFFER FLEXIBILITY

You can also combine the above methods in your will. For example, you might specify that certain amounts or properties go to certain people, and then divide whatever remains by percentages among organizations you believe in.

SUPPLEMENT YOUR WILL

Other documents you may already have in place may determine how certain assets you own are ultimately distributed. For instance, if you own real estate jointly with another, your will may have little or no effect on the property's final disposition.

In the case of life insurance policies or retirement plans, a beneficiary designation you signed years ago determines who receives those assets, not the terms of your will. That is why it can be very important to periodically review these plans as well.

A PLANNING CHECKLIST

- Have you given serious thought to your long-term financial arrangements?
 - Do your plans take into account changes in the makeup of your family?
 - Have you considered the impact of growth in the value of your assets since your last review?
 - Are you aware of what your estate tax liability might be and how such taxes will have to be paid?
 - Are those who assisted you in the past still able to help carry out your wishes?
- If you answered no to any of the above questions, you may be due for a review.

REDUCING PROBATE COSTS

The only property that passes through probate is property that hasn't been left to other people by other means.

If no valid will exists, the probate court is forced to apply state law—essentially an all-purpose will drafted by the state legislature. When this “generic” will is used, assets not distributed outside of probate are typically divided among heirs based on their relationship to the deceased.

Through proper planning, it is possible to reduce the costs of settling an estate. Here are a few ways to speed up the process of property distribution while minimizing expense:

- **Have a valid, up-to-date will.** Make sure your executor (in some states, “personal representative”) is capable and willing to serve.
- **Consider a living trust.** Many people have found a living trust fits in well with their plans. Your attorney or the trust department of your bank can provide more information about the usefulness of living trusts.
- **Monitor life insurance and retirement plans.** Make certain the beneficiaries named are still the ones you want. Talk to your life insurance professional, your employer's employee benefits manager, or others who manage your retirement plans.
- **Review joint ownership.** Joint ownership can be a good way to minimize the delays and expense of probate. But do not overuse joint ownership, especially if you believe your estate may be subject to tax.



Working with its Young Elected Officials program, PFAW Foundation supports the next generation of leaders who will sustain the values our organization was founded to defend.

PLANNING FOR INCAPACITY

As part of the estate planning process, consider two other documents that can help make sure your wishes are met.

A **power of attorney** can name a person or persons you wish to handle your financial affairs should you become incapacitated or simply prefer to have others manage your assets.

A **living will** can record your wishes about extraordinary medical care and life support measures.

State laws govern powers of attorney and living wills. Ask your attorney and other appropriate advisors for options. We will be pleased to discuss any charitable provisions you may wish to make.

Executive vice president Marge Baker stands with civil rights leaders to rally support for then-Judge Sonia Sotomayor.



“I AGREE WITH WHAT PFAW STANDS FOR”

They say home is where the heart is. For Jeri Callahan, home is also where the water is!

Jeri has lived on a houseboat in the Seattle area since 1988 and often gives tours to visitors intrigued by the quaint floating homes.

HOUSE BOAT LIVING

“I love living here on Lake Union,” Jeri explains. “I swim in the lake almost every day with a group of friends. My neighbors are very diverse, with retirees like me, families with children, and everyone in between. We live in tight quarters, so we all take of each other like an extended family.”

Enlisting both her love of the water and her love of writing, Jeri wrote a book in 2004 entitled *Staying Afloat: Life Aboard Houseboats, Barges, and Live-aboards*, about her houseboat community. “When I graduated from the College of William and Mary, my first job was as a features writer for my hometown newspaper in Dayton, Ohio,” Jeri says. “I have always enjoyed interviewing interesting people and telling their stories. And Lake Union has no shortage of interesting people.”

TEACHER AND MOTHER

Jeri married in 1958 and raised three children in Seattle. Once her kids were in elementary school, she decided to become a preschool teacher. “I taught for almost 20 years,” Jeri says. “As a mother, the schedule of being off in the summers was wonderful for me. And working with preschoolers was so much fun.”

Now single and retired, Jeri’s free time is filled with her friends, neighbors, and grandchildren. “Every day is a gift,” she says. Jeri also enjoys giving to causes that have special meaning for her, such as People For the American Way. That’s why she has remembered PFAW with a gift in her will.

INCLUDING PFAW IN HER WILL

When she was updating her estate plans, Jeri decided to designate a percentage of her estate to charitable causes, including PFAW. “Since I am retired, I don’t have a huge income, so making a significant outright gift is really not possible,” Jeri explains. “But by making bequests in my will, I can give back and support PFAW and other organizations that are in my line of what is important and of value.”

“It was an easy gift to make,” Jeri continues. “My kids are all doing well and they will get some inheritance, but they don’t need it. I feel good knowing that a portion of my estate is going to be divided among organizations that I feel are worthwhile. PFAW is my kind of organization. I agree with what they stand for.”

LEARN MORE

Like Jeri Callahan, you, too, can play a vital role in ensuring a vibrantly diverse society where freedom and opportunities for all people are promoted. To learn more about making a gift through your will or other estate plans, please call the PFAW planned giving staff at the number below or go to our website: pfaw.aboutgiving.net.



FOR MORE INFORMATION, PLEASE CONTACT:

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