Choose Your Own Adventure

A FINANCIAL AND ESTATE PLANNING GUIDE

THRING SOCIETY 1888

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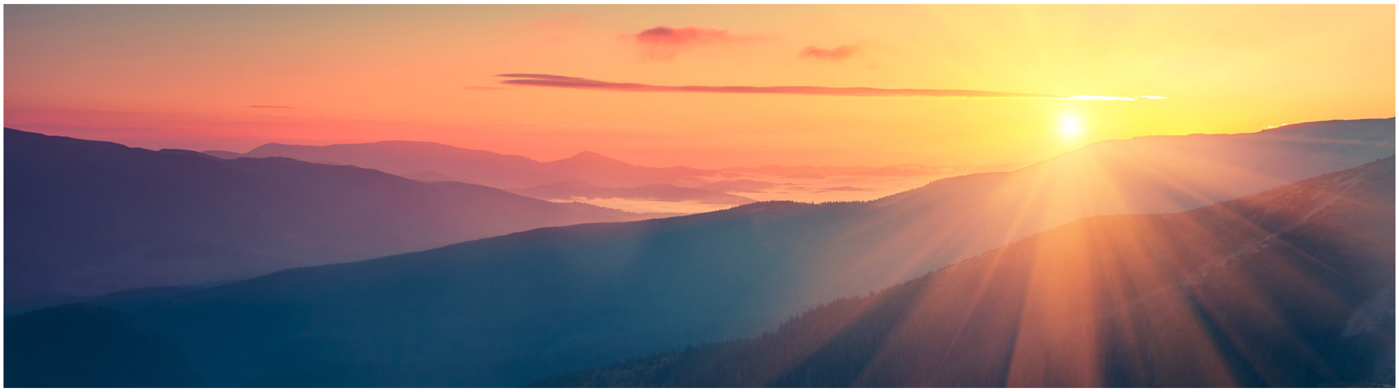

Financing retirement is not what it used to be.

At the end of the 19th century, the U.S. government developed a precursor support system for Civil War veterans who were disabled and the widows and children of soldiers who died. In 1935, President Roosevelt passed the Social Security Act to support adults who had aged out of the workforce. In the middle of the 20th century, employers began to offer a similarly structured (and financed) "defined benefit" plan. Both programs provided a fixed payment for the rest of the individual's life. Working adults began to plan on Social Security and a pension from their employer to finance their retirement. As life expectancies increased, the financial structure of both programs was tested and in some cases failed.

In the late 20th century, employers began to offer "defined contribution" plans. The major difference being that the employer states the amount it will contribute to a savings vehicle that the employee chooses and then the employee can choose to save above and beyond that amount.

"In the brave new world of retirement financing, you will very likely have to decide how much to save, how to invest the proceeds and what to do with the resulting money when you retire. If you are fortunate, your employer will provide education, counseling, projection tools and/or professional management as well as a carefully chosen range of investment vehicle[s] such as bond funds, stock funds, insurance products and pre-packaged multi-asset strategies."

~ William Sharpe, Professor Emeritus of Finance, Stanford University

We spend our lives accumulating wealth, property, and other items but according to an article in The Atlantic only 30 percent of Americans have a basic understanding of financial matters. Similarly, a survey conducted by Caring.com shows only 33 percent of Americans have a will or trust that will instruct how assets will be distributed at death. It goes on to list the primary reasons people give for not doing it: they haven't gotten around to it, don't think they need one, or think it's too expensive.

It's time to flip the narrative

Instead of thinking of financial and estate planning as burdensome, stressful, or something to put off, what if people approached the process like planning an adventure? Adventure planning should include some structure but allows for flexibility. It should leave you feeling a little uncomfortable but empowered. Financial and estate planning can make you feel the same way.

Five reasons to dive into financial and estate planning:

- **Ignorance is not bliss when it comes to your financial position.** Look at your entire financial picture, including savings, investments, and debts. Once you know where you are, you know what's possible. If you find you aren't where you want to be, you can make adjustments.
- **Retirement, relocation and relationships.** Changes such as a retirement, moving, marriage, divorce, children or grandchildren or changes in the economy, politics, and tax laws can prompt changes in your financial or estate plans. Many planning decisions are revocable, but it is recommended to have an independent, third-party review decisions that are irrevocable.
- **Surprises are best left for birthday parties.** Unfortunately, life doesn't always cooperate, and you need to be prepared—even if that means considering your own or a loved one's mortality. Making a plan is an act of compassion; it can provide guidance during a difficult time.
- **Information is power.** Explore the world of financial and estate planning like your future depends on it. Research could reveal financial tools, tax solutions, or other legacy ideas you aren't aware of.
- **What is a legacy?** Per "Hamilton" by Lin Manuel Miranda, "It's planting seeds in a garden you never get to see." Think about your values, how you embody them, and the impact you could have.

"What you leave behind is not what is engraved in stone monuments, but what is woven into the lives of others." ~ Pericles, Philosopher

Choose your own adventure!

Everyone has different expectations about life and ideas on how to live it. Inspired by "choose your own adventure" books, this guide can help you determine your financial and estate planning priorities. It outlines key parts of your life: the people around you, where and how you live, ways you can make a positive impact, selling a business, and living with the resources you have. These topics are followed by questions to explore on your own, with the important people in your life, or with professionals. Review financial and estate plans after major life events and as often as every three to five years. Whether your plans need updating or you are creating a new one, prepare like it's an adventure!

Ask yourself these fundamental questions:

1. What is my current financial situation?
2. What are my financial and retirement goals?
3. Who will make my decisions if I can't? Who will care for me? What would I want?
4. What happens to my loved ones if something happens to me?
5. Who is my personal representative? When was the last time we discussed what I want?

Don't forget to consider:

1. What professionals do I have? What professionals do I need?
2. How are my assets titled? Who is listed on my beneficiary designations?
3. What would change my plans, priorities, or goals?
4. What are the policies in my state that could impact my decisions?
5. Am I philanthropic?

Some of the answers will come easily but others will require some thought or research. Once you are in the mindset to think about these topics, it's time to choose your adventure!

Choose an adventure!

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My Family

Every family is different, so let's start by defining who is in your circle. The list could include a spouse, parents, brothers, sisters, sons, daughters, grandchildren, nieces, nephews, in-laws, friends, or others. It doesn't take long to get complicated with relationship titles that include words like step, half, partner, ex or co-parent. Families can be described as big, small, close, distanced, or multi-generational. Each person will have different personalities, goals, financial situations, and lifestyles. All of this can be taken into consideration (or not - you get to choose!) when planning with family as a priority.

Great Expectations

A spouse or partner should be active in any discussion about the financial and estate planning goals, priorities, and decisions. If you are both aware of the financial framework you are within, you can work together to meet your goals. Make it fun! Write down your goals, put them in a hat, and grab one to talk about each night.

If you are thinking about moving to be near family, consider a conversation about expectations (theirs and yours) before you make any significant financial decisions. Having the conversation upfront allows for both of you to go into the transition with a clear vision and be able to plan accordingly.

There is a growing trend for grandparents providing care for grandchildren. A Pew Research Center study showed that the majority of grandparents provided occasional childcare and that 22% provide regular childcare for their grandchildren. This can be a significant financial savings for your children. A Fidelity Investments study showed that 66% of parents are depending on contributions from grandparents or other family members to help pay for their children's college education.

People are living longer and some are finding that their children or grandchildren need additional resources during their own adventures, like buying a home, financing education, or securing a financial cushion. You can give up to $16,000 per individual a year before any gift tax consequences. Other options are to contribute to educational funds or pay for tuition or medical bills directly. If this is an affordable option for you, these can significantly help loved ones during your and their lifetimes.

Great Responsibility

As you consider the people in your circle, ask yourself if one of your loved ones would be comfortable in the role of power of attorney or health care proxy. In the publication, *Your Guide to Choosing a Healthcare Proxy*, The Conversation Project's shares "Your proxy may need to advocate strongly on your behalf to get you the care that's right for you — not only with your health care team, but with others in your life who may not agree with the proxy's decision for you." You'll want to have conversations about expectations, roles, and intentions before any decisions are made.

The state or local government could get involved if you don't have a power of attorney, health care proxy, or successor trustee. Typically someone will be appointed to make your decisions; the individual might be within your immediate family but that isn't guaranteed. The team at Investopedia shares "The members of your immediate family may be allowed to make important legal or medical decisions in the event that you are incapacitated. …When you die, they may be permitted to make a claim on your estate." States' definitions of your immediate family vary, but definitions typically include your parents, spouse, or children. Family dynamics can be complicated; if your immediate family isn't who you would want to make your decisions or control your assets, it's time to put plans in place to protect yourself, your wishes, and your loved ones.

The state or local government will also appoint someone to settle your estate if you do not have a will or trust. The estate will go into the probate process, and the cost to the estate could be substantially more than having a will or trust drafted. Probate is done on the timeline of the court system and when there is no will, an appointed person will distribute the estate to the closest living relatives.

You make these choices for yourself but also to ease the burden on the important people in your life. No one needs more stress when they are in the middle of an emotional situation. Having a healthcare directive, a personal representative, or power of attorney to provide instructions based on your choices will be a relief to those you care about. A will or trust will decrease the amount of time it takes to settle an estate and ensure your wishes are carried out. A trust can provide privacy in the estate settlement process.

Whom you entrust with your financial and legal information and choices is a big decision. Unfortunately, elder abuse is rampant, a 2014 study by True Link Financial estimated annual losses of more than $36 billion and that nearly $7 billion in losses is due to caregiver abuse.

When you choose family adventures...

Ask yourself:

1. Who do I consider family? What role will I play in their lives?
2. Who do I need to protect? Who do I need to provide for?
3. Do I want to leave something or everything to my family? How much is enough?
4. Where will I live? Should I move closer?
5. What are my spouse or partner's expectations for this time in our lives?

Don't forget to consider:

1. Are all family members considered equally? Are there special needs or financial situations that should be considered?
2. What phase of life are my heirs in today? Where might they be if I live to be 100?
3. What are their capabilities? What are their limitations?
4. Are there half, step, or multi-generational family members that should be considered?
5. What are the expectations for supporting my loved ones and their lifestyle?

Ask your financial professionals:

1. Should I begin to transfer assets to my family now?
2. Are there ways to minimize the tax impact for my heirs? Should I consider life insurance?
3. Should I be giving my loved ones $16,000 annually?
4. Are 529 plans an option for children or grandchildren?
5. How can I save for potential life events (weddings, education, funerals, etc)?

Ask your estate planning professionals:

1. What's a better option for me, a will or a trust? What documents do I need to ensure what I want to happen?
2. What plans should I share with my family in advance?
3. What can I do to make this easier for my family?
4. Do I need to be concerned about estate taxes?
5. What tax impact will my assets have on my heirs? What assets will be most taxed when my heirs inherit them?

Charitable ideas to consider:

- Consider a charity a "remainder beneficiary" of your estate in your will or trust. This ensures your loved ones receive what you want them to and allows you to include organizations you care about as well.
- Consider leaving assets with significant tax implications (like IRAs) to nonprofits and leave assets that provide a step-up in basis (like stock or real estate) to your heirs.
- Consider a charitable lead trust to support your favorite charities and transfer assets to your heirs in a tax efficient way.

My Lifestyle

Your lifestyle will vary depending on where you live, how you live, and your budget. Your plans might include specific items like relocating, traveling abroad, joining a golf club, or enrolling in adult learning opportunities but remember that your interests, abilities, and priorities may change over time. Before any significant financial decisions are made, take the time to really evaluate the options.

Staycation or relocation?

A good place to start is by examining the housing options. Is your current home a good fit or is it time to "right-size"? You might add or change a space to accommodate your interests; an art studio, a bigger kitchen, or a fitness room. Or you might not want to maintain a house and property anymore and relocating will allow more time to focus on your goals and interests.

If you are looking for a new house or condo, review the neighborhood your residence will be in. Consider asking your potential neighbors about the percentage of rental properties or part-time residents. A consistent rotation of visitors offers a fun way to meet people from different backgrounds, or you might be looking for a more deeply rooted neighborhood that will add to your social network. Ask about any annual HOA fees or community costs to include in your financial planning.

If you look at retirement communities, look beyond the brochures. Visit at different times of day, during weekdays and weekends. If it is a continuing care community, visit all of the different environments. Try the food and observe how residents are treated by the staff. Attend programs to see if they are well organized and if residents are taking advantage of what's offered. Talk to residents to see what they appreciate or would change. Being a part of a retirement community can be a considerable financial investment and taking the time to see if it is a community you want to join is an exciting part of the decision making process.

Research the locals

If you are considering relocating, consider an extended vacation to see if the resources are available to meet your lifestyle standards and goals. Your current financial, real estate, medical, and legal professionals may not be able to serve you in a new location. Ask local financial or legal professionals about tax or estate laws that would impact your financial and estate plans. You'll want to evaluate the capabilities and limitations of medical practitioners, medical specialists, hospitals, and long-term care locations. Check to ensure the medical professionals accept your health insurance.

Will the new community support your interests? If you are dedicated to a sport, are there clubs or leagues to join? If you are looking for an academic environment, are there interesting courses offered? If you want to give back or volunteer, are there organizations that align with your values? Does the community offer the types of cultural experiences you enjoy, like concerts, theater, or museums? Track the costs of annual memberships, tuitions, or passes to ensure that the costs work within your budget.

What else should you consider?

Some people will retire believing they have plenty to do, and they spend their first few retired years visiting relatives, traveling to bucket list destinations, and enjoying various golf courses. Then one day it's no longer enough and they need a change. The changes in your goals for this phase of life happen over time. You would not be the first person to ask "What else is there?" This is an opportunity to look at your life, family, and community to see what else might interest you. It's also a chance to review your priorities and choose another adventure!

When choosing lifestyle adventures...

Ask yourself:

1. Where will my primary residence be? Will there be multiple residences?
2. Should I right-size and when?
3. What are my hobbies, passions, and interests? How will I pursue them?
4. Do I want to travel? To where? For how long?
5. What else do I want to learn?

Don't forget to consider:

1. What are my partner's expectations and goals? What about other family members?
2. Are there nonprofits that I'd like to be more involved in?
3. Are there places nearby that I can teach young people or mentor young professionals?
4. Are the things I like to do indoors or outdoors? Does where I live accommodate that?
5. What healthcare options are available?

Ask your financial professionals:

1. How long will my resources last if I maintain my current lifestyle?
2. What states offer tax benefits that might save my resources?
3. Is life insurance a good option for me, my partner, or my heirs? How can I ensure their lifestyle if something were to happen to me?

Ask your estate planning professionals:

1. What documents do I need to have ready?
2. What are the average estate settlement costs?
3. What should I do with property that my heirs aren't interested in?

Charitable ideas to consider:

1. Use a charitable remainder trust (CRT) to reduce capital gains taxes when selling your house or property. The CRT doesn't have to pay capital gains taxes on the sale and can provide income for the rest of your life.
2. If your heirs don't want or can't afford your second home(s), leave them to one or more charitable organizations.
3. Make a nonprofit the beneficiary of any life insurance policies you no longer need.
4. Consider gifting the remainder interest of your home or farm to a nonprofit. You can continue to live on the property, and you will receive an upfront tax deduction.

My Legacy

How will you be remembered? If your legacy is among your priorities, take time to think about the experiences that impacted you and the important people in your personal and/or professional development. Look at what you have created; a family, a business, or a name for yourself. Also reflect on your core values or principles.

Shoot for the stars

Make a list of the things that inspire you, concern you, and you've always wanted to do. If you aren't sure where you can make an impact, start with the needs of your community. Make connections between what you value, what you can offer, and what the needs are.

Think of what you will do with your time, talent, and treasure; then take the leap!

- **Everyone has time but some will struggle with how to use it.** One idea is volunteerism or activism; don't be surprised if you become more involved when you find an organization that aligns with your values. Giving your time will have a minimal impact on your financial plans, but could have a tremendous impact on the mission that's being served.

- **Everyone has talent but some struggle to apply it without a professional environment.** You have spent years crafting a skill-set that could be useful in your community. Or you may decide that you want to develop a new talent or improve your skills in a particular area, like becoming a gardener, photographer, painter, or craftsman.

- **Everyone has treasure but some struggle to let it go.** It could have monetary value, or it could be art, jewelry, antiques or another heirloom. The right place for these items might be with the next generation of family members, a museum, or a historical society. You can pass your treasure along to loved ones, or you could make a charitable gift to a nonprofit that could benefit from the item, shares your values, or has been significant to your life.

Go All In

Retirement is the perfect time to make a positive impact on people, organizations, and the causes you care for. If you let your values guide your choices on how you use your time, talent, and treasure, you can share them with those who follow in your footsteps.

Your legacy can also be impacted by your estate plans, just Google "James Brown estate settlement". If you have the resources to provide for loved ones and support the causes that are important to you, it's a wonderful gift to make to nonprofits. A gentleman was asked why he included a bequest for his alma mater; he replied "It will be the last chance I have to tell the world what was important to me."

When choosing legacy adventures...

Ask yourself:

1. Who will I leave behind? Who is important to me?
2. What will I leave behind? What is important to me?
3. What are my guiding values? Who helped me get to where I am today?
4. What impact have I had on the world? My family? My business? My community? My favorite charities? My favorite people?

Don't forget to consider:

1. What do I have to give?
2. What difference can I make for organizations that are special to me?
3. Who is impacted (positively and/or negatively) by my choices? Who would be surprised?
4. What am I known for? What is my family/name known for? Am I okay with that?

Ask your financial professionals:

1. How can I meet my charitable goals?
2. What tax advantageous ways are there to utilize my complex assets to support nonprofits that I value?
3. How can I monetize some of my art, jewelry, or antiques?

Ask your estate planning professionals:

1. How can I include nonprofit X in my estate plans?
2. How can I include nonprofit X and my heirs in my estate plans?
3. What assets would be better for a nonprofit than my heirs?

Charitable ideas to consider:

1. Create a donor advised fund and get an immediate tax deduction and retain the ability to send donations to nonprofits. You can provide a successor advisor or instructions for the remainder of the fund to benefit your preferred charity.
2. If you are 70.5, consider a qualified charitable distribution. You can send up to $100,000 from your IRA to the charity(ies) of your choice. The withdrawal is tax free and will count towards your required minimum distribution (RMD) if you are 72 or older.

My Business

If you own or hold a significant interest in a company, make a business succession plan. The other people involved are counting on you to be thoughtful about the process. If possible, give yourself time to think through all of the options. There are many reasons to have a succession plan ready: you plan to retire, the industry changes, your health, or you know you want to do something different.

Call in the pros

When you think about what's next for your business, ask yourself if there are any obvious answers. If there are, that doesn't mean that you shouldn't do your due diligence in making sure it's the best option for you and others involved. These aren't choices you make every day, so it's important to consult independent professionals to evaluate any plan.

If you are considering selling the company, consult with mergers and acquisitions professionals. These teams have been built to put you in a position of strength. They will put a "book" together that outlines the company, the financials, and the inventory. Then they will receive and help to evaluate offers for you. They can prepare for any legal and/or tax implications that might impact you, the employees, partners, or customers.

You may be asked to stay on as an advisor or consultant. Think about why you are choosing to step away and if acting as a consultant would align with that reasoning. Some will opt to slowly step back while others will race to the finish line. There is no right answer; it's personal and you should make a thoughtful decision based on the lifestyle you want.

Another option is to pass the company to the next generation of your family; this choice deserves careful analysis and consideration for all parties. If you've heard of the third generation rule, noting that family companies often fail in the third generation, there is plenty of information labeling that as a myth. The Harvard Business Journal writes, "So is there anything to the three-generations myth? Certainly, some families go from rags to riches and back again, but on average, they do not."

When choosing business adventures...

Ask yourself:

1. How much longer do I want to work?
2. How much longer do I want to have a say in the day to day, year to year?
3. What does my ideal succession plan look like? What are the challenges of that plan?
4. What skills can I transfer to support my retirement goals?
5. Are there family members involved in the business and family members not involved in the business? How can they be treated equitably?

Don't forget to consider:

1. Who else should be involved in succession planning? What are their expectations?
2. What is the future of the business? If I am no longer involved, what changes?
3. Who is positively or negatively impacted by my choices? Who would be surprised?
4. Who in my network has gone through something similar? What can they teach me?

Ask your financial professionals:

1. What are liquidity options? What are my resources/assets? Income sources?
2. Do I have enough and the right types of insurance on the business?
3. What potential economic impacts or political issues are there to consider in the next 12-24 months?
4. Could a charity benefit from my succession plans?
5. Would unintended business income tax (UBIT) be a concern if I put a portion of my business into a CRT?

Ask your legal professions:

1. Are there legal liabilities I need to consider?
2. What mergers and acquisition firms have you worked with in the past?
3. What can I expect when I sell my business?
4. Is there a way to reduce clients and then close the business?
5. Would a Family Limited Partnership or Limited Liability Company be an appropriate step?

Ask your estate planning professionals:

1. How can I use my business to create a legacy?
2. What happens to my shares/ownership if something happens to me?
3. How can I structure my plans so that my heirs don't receive a lump sum after I sell?
4. Can I transfer ownership upon my death to my heirs?

Charitable ideas to consider:

1. Use a charitable remainder trust (CRT) to reduce capital gains taxes when selling your business. The CRT doesn't have to pay capital gains taxes on the sale and can provide income for the rest of your life.
2. Put all or some of the ownership of your company into a CLT to reduce the tax implications while you transfer the assets to your heirs.

To live within my means

Living within your means will depend on how you've been able to save during your lifetime. Typically, it brings to mind the idea of living on a tight budget, but here it means living within the goals you've set for yourself, including not outliving your assets, and having the appropriate long-term healthcare, housing, and insurance options. Living within your means might be a priority for those who don't want to burden family members or because you want to leave some of your assets to your heirs, loved ones, or non-profits.

Check your supplies

You wouldn't hike the Appalachian Trail without knowing what you are going to need. If your goal is to live within your means, make sure you have a keen awareness of what your financial situation is. There are budgeting tools available to help track expenses such as housing, utilities, transportation, cost of living, food, insurance, and others. You also want to track your income sources like individual retirement accounts, pension distributions, stock dividends, rental income, and social security. If managing financial resources and a budget aren't your strength, that's okay; there are many financial experts ready to provide you with guidance.

Part of planning an adventure is understanding there will always be risks - that's why there are so many waivers out there! Some of the risks in planning your retirement finances are recession, inflation, market volatility, and interest rates. A good financial plan can provide protection through most of these but paying attention allows for agility and time to react if necessary.

Expect the unexpected

Prepare for financial disruptions with an emergency fund. Unexpected expenses can happen at any time and allocating resources in advance allows costs to occur without having to cut into investments or make a bad debt decision.

Having a dedicated cash reserve beyond your emergency fund allows you to say yes to bucket list items or once in a lifetime opportunities. Health insurance and long-term care insurance can provide security for yourself and your loved ones. Ultra planners will have their power of attorney, health care proxy, and personal representative choices in writing and make sure the individuals chosen are aware of the role and where the paperwork is.

When choosing to live within your means...

Ask yourself:

1. What financial plan allows me peace of mind?
2. Am I maxing out my employment benefits? (401K+ catch up or Health Savings Account)
3. Are there any potential wealth events in my future? A bonus, selling a property or business, or an inheritance are some examples of events that could change your financial situation.
4. Will my income or expenses fluctuate?

Don't forget to consider:

1. What health insurance options are available?
2. Is my current residence the best option for me in the long-term?
3. What is my plan for elder care?
4. What are my hobbies, interests, or passions?

Ask your financial professionals:

1. What is in my financial forecast?
2. What are my assets? What are my liabilities?
3. How can I reduce my income tax?
4. What tools can help me stick to my budget?
5. How can my emergency fund accumulate value but still remain easily liquidated?

Ask your estate planning professionals:

1. Are there trusts that can help the survivor between my spouse and I to reduce or eliminate estate taxes?
2. What are the most financially efficient estate settlement options?
3. What actions can I take now to reduce the time and costs for my heirs in the future?
4. What costs should I be prepared for beyond burial and probate? Should I consider a life insurance policy to cover these costs?

A charitable idea to consider:

1. Create a donor advised fund and get an immediate tax deduction and retain the ability to send donations to nonprofits. You can provide a successor advisor or instructions for the remainder of the fund to benefit your preferred charity.
2. Consider converting an unproductive asset to a charitable gift annuity or charitable remainder trust with a higher fixed rate of return that will provide income for the rest of your life.

Your Life, Your Choices, Your Adventure

Adventures like a "bucket list" trip to the Galapagos don't just happen and neither do the important decisions around your financial and estate plans. This guide is here to help you think through your decisions and the consequences of not making these types of plans. Affording the retirement lifestyle you've been dreaming of is your responsibility. The earlier you start, the better off you will be! When you are comfortable with your financial situation you are able to enjoy life's adventures!

You can't expect the important people in your life to be mind readers. Be brave and have conversations with the important people in your life. You can relay the choices you have made and what your preferences are. Engaging in this dialogue allows you to explain your intentions and to consider the impact from both points of view. Estate planning is also your responsibility. Compare the time and resources it takes to legally protect yourself and your loved ones versus what they will experience if you do nothing and you will find that the people and organization you care about are worth the time and expense it takes to complete the process.

While this is your adventure in life, there are people and organizations depending on you to make decisions. There are so many small things you can do to take control of your financial and estate plans; you will feel so empowered that you'll want to keep going. Remember, it's an act of compassion to make plans and provide guidance before you are no longer able.

Items to Consider

Are you philanthropic?

There are charitable gifts that cost you nothing during your life:

- Include your favorite nonprofits in your will or trust through a bequest or codicil for a percentage, specific dollar amount, or specific asset.
  - Leave assets with significant tax implications (like IRAs) to nonprofits and leave assets that provide a step-up in basis (like stock or real estate) to your heirs.
  - Leave assets your heirs don't want or can't afford (like a second home) to one or more charitable organizations.
- Make a nonprofit a "remainder beneficiary" of your estate in your will or trust. This ensures your loved ones receive what you want them to and allows you to include organizations you care about as well.
- Make a nonprofit the beneficiary of any life insurance policies you no longer need.
- Make a nonprofit the remainder beneficiary of a donor advised fund.

There are charitable gifts that can assist with wealth transfer:

- Create a charitable lead trust to provide outright support to your favorite charities and then transfer assets to your heirs in a tax efficient way.
- Put all or a portion of the ownership of your company into a CLT to reduce the tax implications while you transfer the assets to your heirs.
- Leave assets with significant tax implications (like IRAs) to nonprofits and leave assets that provide a step-up in basis (like stock or real estate) to your heirs.

There are charitable gifts that provide income for life:

- Do you have an unproductive asset? Consider using it to create a charitable gift annuity or charitable remainder trust with a higher fixed rate of return for the rest of your life.
- Create a charitable remainder trust (CRT) to reduce capital gains tax when selling your house, property, business, or other appreciated assets. The CRT doesn't pay capital gains tax on the sale and can provide income for the rest of your life.

There are charitable gifts that are tax efficient:

- Are you worried about your RMD? If you are 70.5, consider a qualified charitable distribution. You can send up to $100,000 from an IRA to the charity of your choice. The withdrawal is tax free and will count towards your RMD if you are 72+.
- Leave assets with significant tax implications (like IRAs) to nonprofits and leave assets that provide a step-up in basis (like stock or real estate) to your heirs.
- Are you worried about capital gains? Create a charitable remainder trust (CRT) to reduce capital gains tax when selling your house, property, business or other appreciated assets. The CRT doesn't pay capital gains tax on the sale and can provide income for the rest of your life.
- Create a charitable lead trust to provide outright support to your favorite charities and transfer assets to your heirs in a tax efficient way.
- Need a tax deduction this year? Create a donor advised fund to get an immediate tax deduction but retain the ability to send donations at your discretion. You can provide a successor advisor or make a nonprofit the remainder beneficiary.
- Need a tax deduction this year? Consider gifting the remainder interest of your home or farm to a nonprofit. You can continue to live on the property and you will receive an upfront tax deduction.

Pro Tips

- Know the hierarchy of the estate settlement process. Your designation beneficiaries or "payable on death" accounts will be paid out before your will or trust is executed.
- Know if you or your spouse has "portability" and the rules around it.
- Know your state laws and regulations regarding intestacy, probate, spousal election, separate and community property laws, among others.
- All parties involved should know who your legal and financial professionals are and where your legal documents are located.

Variables in Life:

- Children
- Children coming of age
- Grandchildren
- Marital status (for yourself, or your children)
- Death of a partner, parent, other family member
- Substance abuse (for yourself, or a loved one)
- Starting a business
- Closing or selling a business
- Buying, building or selling a home or vacation property
- A real estate investment
- Medical diagnosis or emergency
- Disability or long-term care
- Decrease or loss of employment
- Health insurance
- 401ks or pensions
- Life expectancy (hereditary conditions, genetics, impacts of life choices)
- Debt or credit issues (for you or a loved one)
- Inheritance
- Natural disaster
- Accidental disaster
- Legal liabilities
- Government changes to taxes or social programs

Professional Resources:

- Financial Planner/Advisor
- Investment Manager
- Broker
- Attorney(ies)
  - Generalist
  - Family Law
  - Trusts and Estates
  - Real Estate
  - Tax
- Tax Advisor
- CPA
- Health Insurance company, policy, and contact
- Life insurance company, policy, and contact
- Long-term care insurance company, policy, and contact
- Real estate agent

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Notes

The Thring Society

The Thring Society is named for the Reverend Edward Thring. Rev. Thring was serving as Headmaster at the Uppingham School when William Lee Cushing visited England in 1892 in search of inspiration for his own school back America. Thring's philosophy is still embodied today with our core values of Community, Character, Balance, and Involvement.

Jennifer B. Keyo

Jenn travels across the country to connect with members of the Westminster community, meet with members of the Thring Society and talk to individuals who are interested in supporting the priorities of Westminster School. She has extensive experience in annual giving and advancement operations after spending 10 years at the University of Hartford. In January 2021, Jenn was appointed to the board of directors of the Charitable Gift Planners of Connecticut, in 2022, she became a certified specialist in planned giving and in 2023 she was awarded the Rising Star Award from the National Association of Charitable Gift Planners.

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