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February 2020

Planned Giving Tips

It's That Time Again!

Yes, it's the beginning of a new year and time to think about the changes that might be coming your way this year. It's also a good time to turn your attention to those issues that deal with the fact that changes are inevitable.

Your Will as a Guide

To begin with, if you have made a Will, do you know where the original copy of your Will is? Hopefully, it is in a safe place but readily accessible. Also, does your executor have a copy of your Will readily available?

It's a good idea to review your Will every 5 to 7 years, so you can manage the changes which have taken place over that period of time. Assets may have been used up, beneficiaries may have died and new beneficiaries named.

While it's not "family friendly" to use your Will to show favoritism, it is highly unlikely that the financial circumstances of all your named beneficiaries are the same. So, do you fashion your Will so that one size fits all? Or do you manage the distribution of your assets to meet the particular and personal needs of your beneficiaries? These are questions which can be answered through your Will.

Communicate What Your Plans Are: Even the best of intentions will be misunderstood by someone. That's why it's important to communicate with your beneficiaries - either during your lifetime or by letter after death - to explain why you are doing what you are doing. Not everyone may agree, but everyone should know that the property you have been blessed with during your lifetime is yours to do with as you see fit.

What exactly is a Will?

Simply put, a Will is a written document that disposes of your property after you die. To be valid, the Will must be signed by the person whose property it affects. It must also be signed by two or three witnesses (depending on the state you live in) who attest to the mental state of the person making the Will and that he/she actually signed the document.

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Include the Ananda Janaka Foundation in your will, trust, or as an IRA beneficiary and support Ananda in moving into the future.

Planned Giving Tips for 2020

Probate

While a Will may not always accomplish what you think it should (perhaps because you don't fully understand the different types of ownership) having a Will definitely is an invitation to settle everything in Probate court. Probate is the court supervision of the distribution of a deceased's assets to his/her beneficiaries or heirs. Probate exists because it's the only way to change the title to assets from the deceased person's name to the name of the person inheriting the assets through a will.

Unfortunately, there is a hefty price tag to going through Probate. It is estimated that it costs a person's estate 5% to 7% of the total value of the assets that pass to one's heirs through the Probate court. Do the math yourself on the projected value of your estate: multiply that figure times 5%, then 7%. These two figures represent the range of cost for this Probate procedure that must be paid from the overall value of your estate. As an example, for an estate valued at \$200,000 the Probate cost would range from \$10,000 to \$14,000.

Someone once described Probate as an expensive toll gate.

A Better Way? The Living Trust

Although Living Trusts have been around for many years, they have only become commonplace in the past 30+ years. The primary purpose of the Living Trust is to avoid an expensive Probate. This trust can hold title to your assets during your lifetime. Therefore, the Probate court need not become involved because the trust, not you, legally owns the assets.

No Probate fees, less work for your executor who may also serve as your successor trustee, and more value to be passed to your beneficiaries.

There's a lot more to be said in favor of Living Trusts, so we'll leave that as a future topic to be explored.

In divine friendship,

Parvati

Parvati Hansen
Executive Director
Ananda Janaka Foundation



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