



Planning Your Estate

Questions to walk through in preparing how you will leave your life's legacy.

Thank you for considering the Reformed Presbyterian Theological Seminary as a charity to give to with your estate plan. Below are some guidelines to help you discuss and pray through planning your estate to best represent your heart and goals.

First and foremost, estate plans depend on your life situation, who you are, and what your passions, dreams, desires, and objectives are. Before taking a look at your assets specifically, you need to consider this question: "Where and to whom would you like to leave a legacy with what God has given you in your life?"

If your estate reaches into a taxable estate level, it is important to know how your assets are entitled. This year (2006), as an individual with an estate of \$2 million or more in assets, or \$4 million or more for a couple, your estate is eligible for heavy taxes and you will want to consider seeking expert fiscal and legal advice about how to manage your bequest and charitable giving to minimize taxes and leave more to your loved ones. Choosing who gets what (when involving charity) has a lot to do with minimizing taxes on taxable estates. For instance, a good asset to give away at death is a retirement plan.

If your assets do not meet or exceed these minimum taxable totals, than a will should prove sufficient to plan your estate. You will want to review what all your assets are (such as life insurance policies, retirement funds, life holdings, real estate, etc.), and what is on your heart about where you want to leave your life's legacy in how you distribute these assets in your will. Below are some things to think through before you talk with your lawyer.

Three Ways to Give in Your Will:

1. **Specific Bequest** – compose a paragraph in your will that instructs to leave specific dollar amounts and/or assets to the person or organization you designate, beginning with the words "I bequest (state specific dollar amount or item) to (name person or organization.)"
2. **Percentage of Estate Value:** Instead of leaving a specific asset or gift of cash, you could identify a percentage of the value of your estate to be given to a charity after the executor has liquidated assets. Because this normally would have more gift size potential for an organization that receives your gift, its administration would likely

prefer this over a specific bequest if you are open to such a plan.

3. **Gift Residue Remainder:**

This is the last part of your will that says what to do with whatever remains of your estate after everything else has been taken care of above along with taxes, attorney fees, and other costs. In the will, you would state “the rest of my estate I bequest to (name specific person or charity)”. This also is a preferable place for a non-profit organization to be listed in a will, as the value of an estate often grows significantly over time, and if you do not see the need for regular updates there potentially could be significant gift remainder.

Other Notes About Wills:

- If you have recently had your will drawn up, and you would like to make an addition such as an estate gift to RPTS, you might consider inserting a codicil instead of redrafting the entire document to save money on legal time.
- Based on what is on your heart, you will want to consider whether you want to explicitly note any restrictions to the gift, such as for endowment, for scholarships, facilities, etc., or simply noted as “undesignated”. Undesignated or unrestricted gifts allow RPTS the best flexibility.
- Know what *you* want to do. This document is intended to help you walk through how and where you want to leave a life legacy with what God has entrusted to you. It is meant to help guide you in the direction that will honor your thoughts and desires with your estate and the impact it will have.

After you have written your specific interests and plans, remember you are telling your attorney what *you* want to do. This is your legacy.

- The more precise you are in your will, the less potential tension and problems will exist later on, and the more your exact wishes are specifically honored.
- Be careful not to over bequeath your estate with no remainder/residue left for costs that could be higher than anticipated at the liquidation of your estate. If this happens, the court will reduce your gifts by a certain percentage across the board to balance it.

Once again, thank you for the opportunity to help you think through how you will leave your legacy through your estate plan. It is an honor to have RPTS considered as a ministry you may choose to remember. The Lord has provided for the Seminary over the years in large part through bequests from our friends like you who have cared about this ministry of training pastors and other church leaders for the edification of the people in Christ's church until He returns.

