

CHRISTIAN MONEY \$ENSE

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Planning for the Disposition of Your Estate

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Andrea Kaminski, in her book *No Longer Invisible: The Emerging Role of Women as Philanthropists*, makes this statement about our maturing population of women "Many...never brought home a paycheck so may not think of money as something they can replace. In fact, they may not know how much money they have, much less how they can invest it for growth. They may feel a responsibility to pass all their money to their children and continue to support their husband's causes out of a sense of loyalty."

Kelly Bolton of Merrill Lynch Financial Services says that, "an estimated 85-90% of women are left in charge of family financial affairs. All money that is not bequeathed in a will ends up as a donation to the United States government."

These compelling statements support the notion that husbands and wives must be proactive in preparing for the disposition of their estate if they intend for their assets to grow and be distributed to their family and their causes according to their wishes. As has been mentioned in numerous articles, stewardship of resources is a key theme of Scripture (Matthew 25:28-29; Romans 14:12; 2 Corinthians 5:9,10; Luke 16:10-12) and a key principle for caring for the people and causes which God has entrusted to you (1 Timothy 5:8).

A trust is a mechanism that allows people to ensure that their wealth is distributed as they wish and can provide financial benefits to legally protect their wealth from being unduly taxed. Essentially your assets are placed in a trust (a legal contract) and are managed by a trustor according to your directions at the time the trust is created. There are two types of trusts: living trusts which are implemented while you are still living and testamentary trusts which commence after your death.

Trusts may be revocable or irrevocable. If a trust is revocable, you retain the legal right to modify or cancel the trust while you are alive. If a trust is irrevocable, it cannot be changed. In essence, the assets of the trust belong to the trust. Testamentary trusts are normally created in a will and typically must be probated before the trust becomes effective.

There are advantages and disadvantages to both. Trusts can serve as a powerful way to manage your assets and possibly avoid significant fees and taxes. If you would like to have a confidential discussion on how you might proceed with a trust, please call

Mark Robbins, CPA, Executive Administrator, BBC Foundation, (800) 451-8668, or contact an experienced lawyer for counsel on the creation of a trust.

The sooner Social Security benefits are filed after a death, the simpler it may be to collect the benefits. On your request, the Social Security Administration will provide a brochure explaining your benefits, a summary of your personal contributions, and your probable monthly stipend on retirement. You should request this information periodically and use it to build your financial plan for retirement as well as to prepare for the likelihood that one spouse will survive another. For information on your personal benefits, you may call the Social Security office in your community or the national office at (800) 772-1213.

Veteran Affairs (VA) Benefits are generally available to persons who were honorably discharged from active duty. Benefits are regulated by law and periodically change. For this reason, a recent widow should contact the VA office in Washington, DC at (800) 827-1000 for a clear explanation of current benefits.

As uncomfortable as it may be to think about or discuss the possibility of a remarriage upon the death of a spouse, scripture presents no principle or precept discouraging it. If this topic is not discussed between spouses and their children, there could be potential for great anxiety about the remarriage of the surviving spouse. Children need to understand the wishes of both parents and know that they will not lose their inheritance in case of remarriage. Open discussion can lead to the discussion of fears and concerns that are best addressed before a remarriage proposal. Your pastor or people you know that have been successful at unifying their lives after the death of a spouse may be good counselors if you feel unable to open this topic for discussion.

Discussion of the realities of death can lead to open discussion of a person's wishes and preferences for the disposition of an estate. It is much better to prepare well in advance than to believe that God would allow a person to tarry on this earth according to the familiar age norms. Life is but a vapor, and the time to act as a faithful steward in light of eternity is NOW.

BBC Foundation has been ministering to churches and individuals regarding biblical stewardship since 1992. Send your questions on finances and stewardship to: BBC Foundation, 538 Venard Rd., Clarks Summit, PA 18411. Phone: (800) 451-8668, website: bbcfoundation.org; e-mail: info@bbcfoundation.org