



## Session One

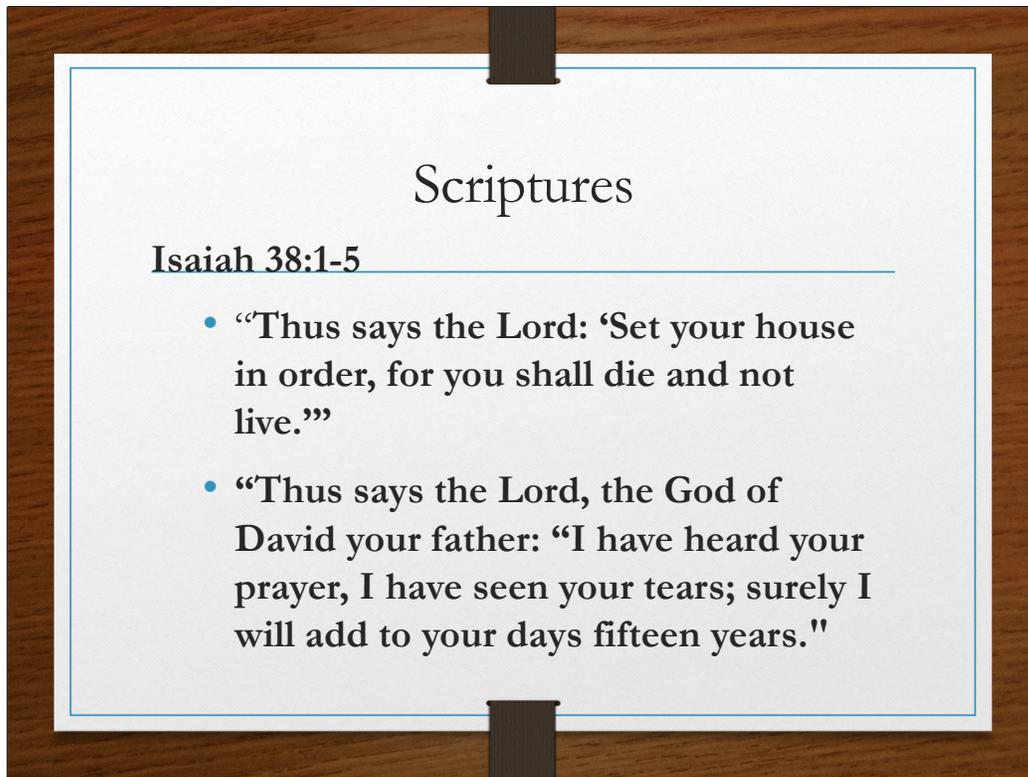
# Estate Planning

Brad & Andrea Jack, Lyle Weber © 2022

maximizing stewardship

Open your Bible to two places: Isaiah 38 and Ps. 90.

Let's pretend we are back in old testament Bible times. Imagine Temple services are about to draw to a close on the Sabbath. They are singing the final song, asking that no one leave unless they have a personal emergency. King Hezekiah and his entourage leave their seats near the front of the auditorium and go down for prayer because he's been sick that week. When he asks for prayer from the prophet working the altar, instead of a prayer, he gets a message.



**Isaiah 38:1-5**

38 In those days Hezekiah was sick and near death. And Isaiah the prophet, the son of Amoz, went to him and said to him, “Thus says the Lord: ‘Set your house in order, for you shall die and not live.’”

2 Then Hezekiah turned his face toward the wall, and prayed to the Lord, 3 and said, “Remember now, O Lord, I pray, how I have walked before You in truth and with a loyal heart, and have done what is good in Your sight.” And Hezekiah wept bitterly.

4 And the word of the Lord came to Isaiah, saying, 5 “Go and tell Hezekiah, ‘Thus says the Lord, the God of David your father: “I have heard your prayer, I have seen your tears; surely I will add to your days fifteen years.”

## Your Life's Bank Account

- ▶ Filled with days instead of dollars
- ▶ You don't have the password to view the balance

Psalm 139:16

- ▶ Every day of our lives were recorded in his book. Every moment was laid out before a single day had passed.

The days of our lives are like a bank account. In this analogy, each dollar in the account represents a day. God put the money in the account. YOU cannot add to the account, although you may earn some interest by exercising, eating right and getting rest, along with having healthy relationships and not jumping off any cliffs.

God made a specific deposit to your life account just as he did in Hezekiah's account!

Unlike a bank account, you can't check the balance. Only God has the password to know how many days we each have remaining.

Psalm 139:16 reminds us that God is in control. Every day of our lives were recorded in his book. Every moment was laid out before a single day had passed.

Isn't God truly good! He has our lives under control from before we were conceived!

## Four Weeks

- **Week 1** How much time do you have left? Wills, Probate and Administration
- **Week 2** Caring for Aging Parents & Trusts
- **Week 3** Caring for your family after your departure. Life Insurance Needs
- **Week 4** Consider your Legacy and Eternity Money invested means souls in Heaven

Welcome to Estate Planning!

Over the next four weeks we will cover:

### Week 1

Considering your lifetime – How much time do you have left? We will cover a few basic thoughts on having a will along with some terminology of the process.

### Week 2

In session two we will cover caring for aging parents. We will also discuss when you may need a trust.

### Week 3

Providing for your family after you are gone is a very important consideration. In this section, we'll cover life insurance and a few other financial topics.

### Week 4

This is my favorite chapter. We turn our hearts to eternity and leaving a legacy.

Each week you will leave with more information than you ever wanted to know about estate planning, including practical ideas that many of your loved ones would probably like to know.



## How many weekends?

Psalm 90:10(a)

- ▶ The days of our lives are seventy years;  
And if by reason of strength they  
are eighty years

Psalm 90:12

- ▶ So teach us to number our days,  
That we may gain a heart of wisdom

Ask your neighbor:

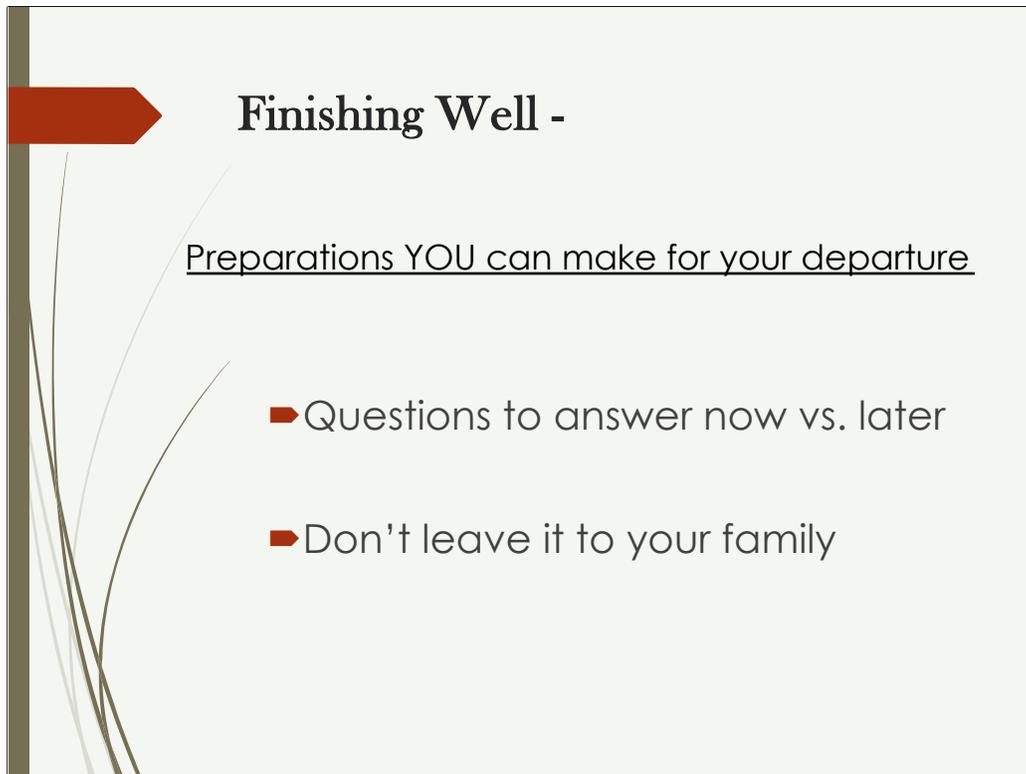
How many weekends do you have left?

If you are 59 ½ and live to age 85, you have 1,326 weekends left on planet earth.

Psalm 90:10a and verse 12.

The days of our lives are seventy years;  
And if by reason of strength they are eighty years,

So teach us to number our days,  
That we may gain a heart of wisdom.



## Finishing Well -

Preparations YOU can make for your departure

- ▶ Questions to answer now vs. later
- ▶ Don't leave it to your family

At the time our family has some of the highest emotions and pain, unless you preplan the details of your end of life celebration, you will automatically leave it to your family to do this when they are hurting.

It may be hard to talk about a few things today, but it will be even more difficult if you leave it for your spouse and family to do it when you are gone.

There are a number of things to consider when a loved one passes away.

As Bob Hope & his wife worked through his end-of-life details, his wife asked him where he wanted to be buried? Bob thought about it and replied, "Honey, I really don't care. Why don't you surprise me!"

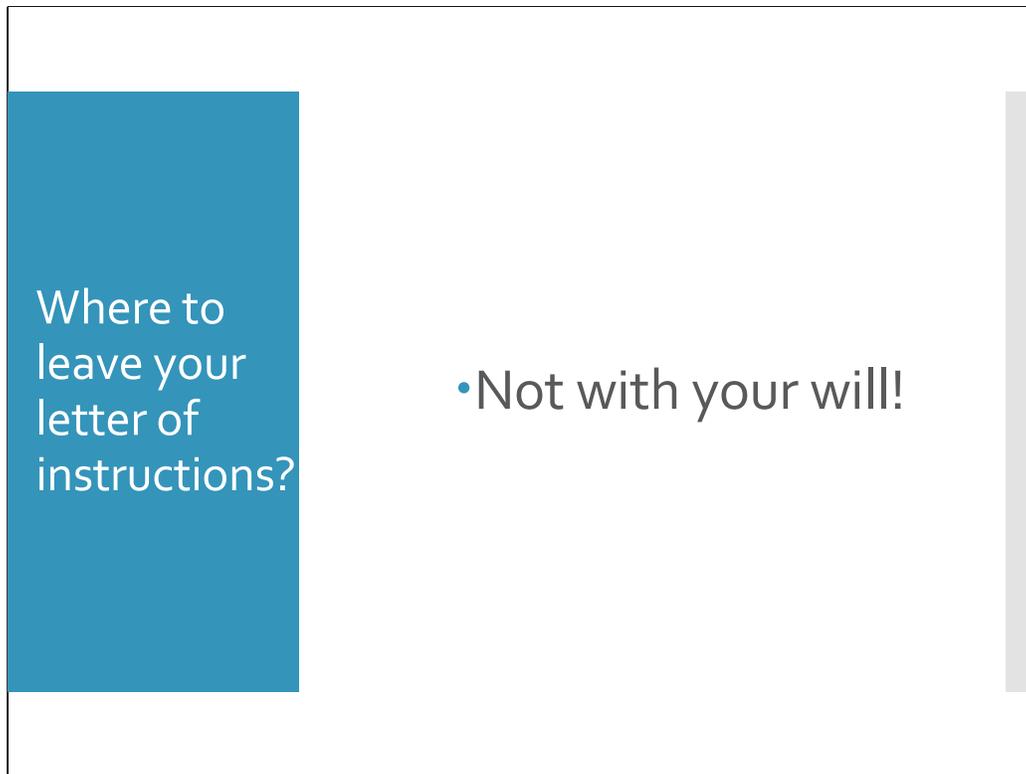
## Why leave written instructions?

- ▶ Provides relief when your family is hurting
- ▶ It will be more difficult for your family if you don't

### Why leave written instructions?

Many family members and friends find that discussing these matters ahead of time is great relief -- especially if a person is elderly or in poor health and death is expected soon.

Making plans can also save money. For many people, end of life services cost more than anything they bought during their lives except homes and cars.



Where is the best place to leave written instructions for final arrangements?

You have many options for writing down your wishes and plans. If you like, you can write a simple letter to your executor and other loved ones that spells out the details of your final arrangements.

Whatever method you choose, be certain to talk to your loved ones about your plans. If you write down what you want, let them know where the information is stored and how to get to it when the time comes. Don't leave this letter of instructions inside your will packet!

It's a good idea to review your plans every year or two to be sure they still reflect your wishes. Update your letter or other instructions if you change any of the details of your arrangements.

Why should I leave written instructions for the disposition of my body?

If you die without leaving written instructions about your preferences, state law determines who will have the right to decide how your remains will be handled. In most states, the right - and the responsibility to pay for the reasonable costs -- rests with the following people, in order:

1. Your spouse or registered domestic partner
2. Your adult children
3. Your parents
4. Your next of kin, or
5. A public administrator, who is appointed by a court.

Disputes have arisen in the past when two or more people -- the deceased person's children, for example -- shared responsibility for a fundamental decision, such as whether the body should be buried or cremated. Such disputes can be avoided by putting your wishes in writing.

## Your family will need to know

- ▶ Burial or Cremation?
- ▶ What quality of casket?
- ▶ Do you have a pre-paid funeral plan?
- ▶ Where do you want to be buried?
- ▶ What is your favorite scripture?
- ▶ Is there a song you want to be sung?

Here's a handout your family would appreciate being able to locate easily:

### **Handout: Funeral Service Preparation Questions**

What details should I include in a final arrangements letter to my family?

A typical final arrangements document might include:

1. Whether you want your remains to be buried or cremated
2. The name of the mortuary or other institution that will handle the body
3. Whether or not you want your body to be embalmed
4. The type of casket or container for burial or cremation, including whether you want it present at any after-death ceremony
5. And the details of any end-of-life ceremony.

Other questions to ask:

1. Who your pallbearers will be if you wish to have some
2. How your remains will be transported to the cemetery and gravesite
3. Where your remains will be buried or scattered
4. The details of any ceremony you want to at the grave site
5. The details of any marker you want to show where you are buried.

## Will we be raptured before dying?

### 1 Thessalonians 4:16-18

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- 16 For the Lord Himself will descend from heaven with a shout, with the voice of an archangel, and with the trumpet of God. And the dead in Christ will rise first.
- 17 Then we who are alive and remain shall be caught up together with them in the clouds to meet the Lord in the air. And thus we shall always be with the Lord.

I want to comfort you with a passage from 1 Thessalonians 4

1 Thessalonians 4:16-18 New King James Version (NKJV)

16 For the Lord Himself will descend from heaven with a shout, with the voice of an archangel, and with the trumpet of God. And the dead in Christ will rise first. 17 Then we who are alive and remain shall be caught up together with them in the clouds to meet the Lord in the air. And thus we shall always be with the Lord.

My hope for you is that the rapture takes place before you need the next handouts

## Home-going Checklist

### Handouts to keep in your folder:

- ▶ Checklist
- ▶ Funeral & Burial Costs
- ▶ Veterans – National Cemetery Burial

**Handout: Checklist - the first hours and days after someone's passing.** This is a checklist of what to do in the first 24 hours, 48 hours, within a few days and then a few weeks after someone passes.

The next handout addresses funeral costs in the area.

**Handout: Possible Funeral & Burial Costs in your local area (handout includes example in a southern city for 2016.**

It is possible to pre-pay for a funeral. Prepayment is a good way to select more modest arrangements while emotions are not running high. If you choose a reputable family-owned funeral home, you will likely spend less than a large commercial funeral home. The product is transferable from one funeral home to the next. If one funeral home goes out of business, what you paid is held in trust by the state and is portable to the funeral home of your choice. If you move from one area to another, your pre-paid plan is transferable.

If you wish to be buried, there is still the cost of preparing the body, the casket (and there is a wide variety of prices as you can see from the handout) along with grave-side service options.

**Handout: VA National Cemetery Burial Eligibility**

If your family member was a military veteran, the veteran and their spouse are eligible to be buried in the VA National Cemetery at no cost. However, realize that you have only 30 minutes for the ceremony and a Sargeant at Arms is there to enforce the time limit.

It is hard to think about our future!

## Phillipians 1:21-23

- [21](#) For to me, living means living for Christ, and dying is even better.
- [22](#) But if I live, I can do more fruitful work for Christ. So I really don't know which is better.
- [23](#) I'm torn between two desires: I long to go and be with Christ, which would be far better for me.

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## 1 Thessalonians 4:13-15

- <sup>13</sup> And now, dear brothers and sisters, we want you to know what will happen to the believers who have died<sup>[f]</sup> so you will not grieve like people who have no hope. <sup>14</sup> For since we believe that Jesus died and was raised to life again, we also believe that when Jesus returns, God will bring back with him the believers who have died.
- <sup>15</sup> We tell you this directly from the Lord: We who are still living when the Lord returns will not meet him ahead of those who have died.<sup>[g]</sup>

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## THE LEGAL SIDE OF DYING

- What do these people have in common?
  - Abraham Lincoln
  - Martin Luther King, Jr.
  - Jimi Hendrix
  - Pablo Picasso
  - Howard Hughes
  - Bob Marley
  - “Sonny” Bono

We haven't begun to address the legal side of things.

I have a question:

What do all these people have in common?

They all died without a will.

Dying  
“Intestate”

- Intestate – Dying without a will

Texas has a written will for you if you don't have one!

Handout: **Intestate Succession**

When someone dies without a will, every state has a will for them. This is called dying “intestate,” or without a last will and testament.

**Handout: Intestate Succession**

Wills are typically not read -- or even found -- until days or weeks after a death. That's too late to be of help to the people who must make immediate decisions about the disposition of a body and funeral or memorial services.

Do not keep your end-of-life instructions inside your will document. Make it easy to find!

## Do you have minor children?

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If both parents pass away,  
who decides who raises your kids?

- Nominated by your will or trust
- If neither document is found, by the courts.

My question for you is this: If you have children who are minors, who would you prefer to have the power to nominate the family that raises your children should both parents pass away”?

Through a will or trust, you can nominate someone with similar values that may also have children the same age as yours. If you leave it up to the courts by not having a will or trust, there is no guarantee that the judge would choose future parents who love the Lord.

## Wills

- ▶ Where is it?
- ▶ Did you have one?
- ▶ Who handles it when you are gone?

**Executor / Executrix**

**What is a decedent?**

Do you have a will? Does your family know where it is?

Jobs to do after you are gone:  
Executor/Executrix

What is a decedent: the one who died.

Just remember: You can't escape Death or taxes!

## What is Probate?

- *The legal process of validating your will.*

### What is Probate?

Probate is the legal process of validating your will. And again, if you don't have one, the state has one for you! Whether you have a handwritten or typewritten will, its validity must be proved in court. This procedure is known as probate, and it generally must take place within four years after death. To probate a will, it must be established in court that the will meets certain requirements.

Most of what happens during probate is essentially clerical.

The probate attorney, or the attorney's secretary, fills in a small mountain of forms and keeps track of filing deadlines.

What is Estate Administration?

- The actual management and settlement of a person's estate.

The actual management and settlement of a person's estate is called the **Estate Administration**

Estate administration must be approved by the probate court.

## Administration Process

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1. What did you have?
2. What did you owe?
3. Payment of taxes
4. Who were your heirs?
5. Distribution of property and assets

Estate administration involves the following steps:

1. collection of the decedent's assets;
2. payment of debts and claims against the estate;
3. payment of estate taxes, if any;
4. determination of heirs if the decedent died without a will
5. distribution of the remainder of the estate to those entitled to it.

Although the time frame may take 3 months, I have seen wills take 2 years to probate in Texas. While this process is in play, often the assets cannot be liquidated or divided among heirs.

Should you not have a will when you die, this is the most costly option for your estate. The state must appoint a law firm to verify heirs. It gets more expensive from there if some of the heirs are minors, and a guardian needs to be appointed.

## Can I avoid Probate?

- Living Trust
- Owning property jointly
- Occupying property Joint (Tenancy)
- Bank Accounts – POD
- Real Estate – Transfer on Death
- Simplified Probate (Small estate values)

As far as the probate process goes, there are certain things that may avoid probate in some states.

**I call this, “How to save your family time, money, and hassle.”  
May I get into the weeds for a moment?**

### **Living trusts**

In some states, you can make a living trust to avoid probate for virtually any asset you own -- real estate, bank accounts, vehicles, and so on. You need to create a trust document (similar to a will), naming someone to take over as trustee after your death (called a successor trustee). Then -- and this is crucial -- you must transfer ownership of your property to yourself as the trustee of the trust. Once all that's done, the property will be controlled by the terms of the trust. At your death, your successor trustee will be able to transfer it to the trust beneficiaries without probate court proceedings.

### **Joint ownership**

If you own property jointly with someone else, and this ownership includes the "right of survivorship," then the surviving owner automatically owns the property when the other owner dies. Generally speaking, no probate will be necessary to transfer the property, but it will take some paperwork to show that title to the property is held solely by the surviving owner.

In some states, two forms of joint ownership have the right of survivorship:

**Joint tenancy works** when couples (married or not) acquire real estate, vehicles, bank accounts or other valuable property together. In this case, each owner, called a joint tenant, must own an equal share. To establish joint tenancy, owners must sign a joint tenancy agreement.

In some states, married couples can sign an agreement to own property together as "**survivorship community property.**"

Owning property this way avoids probate when one spouse dies, and the other becomes sole owner.

### **Payable-on-death designations for bank accounts**

In some states, you can add a "payable-on-death" (POD) designation to bank accounts such as savings accounts or certificates of deposit. You still control all the money in the account -- your POD beneficiary has no rights to the money, and you can spend it all if you want. At your death, the beneficiary can claim the money directly from the bank, without probate court proceedings.

Some states may permit a **transfer-on-death (TOD)** form.

### **Transfer-on-death deeds for real estate**

Some states may permit transfer-on-death deeds. These deeds are sometimes called beneficiary deeds. You sign and record the deed now, but it doesn't take effect until your death. You can revoke the deed or sell the property at any time; the beneficiary you name on the deed has no rights until your death.

### **Transfer-on-death registration for vehicles not allowed in some states.**

### **Simplified probate procedures**

Even if you don't do any planning to avoid probate, your estate may qualify for a simplified "small estate" probate procedures, depending on the state where you live.

Retirement accounts normally are transferred to the beneficiary you recorded in your IRA's and 401K paperwork.

## The cost of Probate

- Handout: Probate Costs with a Will and without (much more expensive).

How expensive is Probate?

There is one general rule: If you fail to do estate planning, it will cost your heirs much more money than if you have a written plan.

Your assets are generally frozen until the administrator completes each step.

Estate Administration is the handling of your affairs after you pass away.

This could mean that after an independent executor or administrator is approved and an inventory of estate assets is filed with the court, the executor or administrator can simply take care of the administration of the estate without any further court involvement or supervision.

The independent executor or administrator is free to settle with creditors, set aside the homestead and other exempt property, manage the property of the estate, sell assets for payment of debts or taxes, and distribute the remaining estate to those entitled to it.

Thus, independent administration avoids the costs and delays associated with a court-supervised estate administration. On the other hand, a court-supervised estate and probate administrator must seek court approval before doing any of these acts and it will be a pain.

## Who will find out what you had?

- A will is public knowledge after your death.
- Must be filed within 4 years of death.

Finally, a will becomes public record after your death and must be filed with the county court within 4 years after death.

Next week we'll cover Living trusts.



# Questions?

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