

TALENTS

Wheaton College Gift and Estate Planning Newsletter

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Hello Friends,

I am thrilled to have joined the Wheaton College team! Dave Teune has handed me the baton, and I am eager to continue the tradition of providing gift planning resources for Wheaton alumni, faculty, and friends. His guidance and mentoring have been invaluable.

Ben Franklin's advice is wise. "Planning to fail" should not be an option for us. There is a tendency to avoid things that remind us of our mortality. Fortunately, we know our time is in God's hands. Thoughtfully directing our God-given resources during life and afterward to support family and for Kingdom impact should not be left to chance.

Our Gift Planning Services staff includes experienced professionals. Like a personal trainer might motivate and maximize your workout routine, we are happy to provide guidance and motivation in your estate planning. It is believed that 50-80% of people lack a current plan. We can help you clarify best strategies and guide you toward a plan that achieves your familial and charitable objectives.

I hope you enjoy the information provided in this *Talents* edition. I would be happy for your feedback. Providing valuable and pertinent information is our goal.

Danielle Hilgers

Danielle Hilgers, J.D.
Director of Gift Planning Services

"If you fail to plan, you plan to fail."

-Benjamin Franklin



**WHEATON
COLLEGE**
For Christ & His Kingdom



Remind Me Why I Need a Will

A will directs who receives your property and assets when you pass away. If you die intestate (with no testament or will), there are probate statutes that guide the distribution of your assets. Probate courts administer both testate (with will) and intestate (without a will) estates. Some assets are not probate assets, including jointly owned assets and accounts with beneficiary designations. Those assets pass to the joint owner or to the named beneficiaries without court involvement.

Picture This: Passing Without a Will

Here is one example of how not having a will can result in a bad outcome:

At 37, Bob, a widower with three children, marries Mary, a widow with two children. Bob and Mary successfully blend their family and raise all five children as their own. Mary does not work outside the home but is an involved mom to all five children.

The children grow up, go to college, start their own families, and are quite successful. Sadly, one of Bob's children becomes estranged, and they have not heard from him for years. Bob and Mary support their church and favorite colleges with their time and treasure over many years. Bob dies of cancer at 67, without a will. Bob and Mary's assets are as follows:

Probate Assets (assets titled solely in Bob's name):

House: Purchased prior to marriage to Mary, \$500K

Bob's Personal Checking Account: \$50K

Bob's Car: 2019 Honda Pilot, \$30K

Not Probate Assets:

Bob and Mary's Joint Bank Account: \$50K, all will go to Mary.

Retirement Accounts: \$900K, Beneficiary designations list Bob's first wife is listed as his primary beneficiary and his biological children as contingent beneficiaries. All will pass directly to his three biological children

Mary's Car: 2015 Honda Accord, titled to Mary. Mary keeps her car.

Total Probate Assets: \$580K

Under Illinois intestacy, half of the probate assets go to Mary and half to Bob's biological children (subject to homestead exemption and spousal share). Court, attorney, and bond fees will reduce the estate's value, but for this scenario, we will assume the entire \$580K. Mary's half will be \$290K (\$250K will be house value and \$40K will go to Mary from Bob's checking account and the sale of his car). As a stay-at-home parent, Mary did not accumulate other assets. \$290K will not be enough to retain the home (valued at \$500K), and she is not left assets to maintain it, so it will need to be sold.

Bob's three biological children, including his estranged son, will equally divide half of his probate estate. They also receive their one-third portion of his \$900K retirement assets (not through probate). Mary's children, who he raised as his own, receive nothing from his estate or retirement accounts. Intestacy, in most cases, ends up different than what the decedent would have wanted, sometimes with quite harmful results.

Bob and Mary's giving history shows strong ministry and charitable inclinations. Without an estate plan, ministry and charity are not considered.

Estate planning has no deadline, so it often falls low on "to do" lists. Any mistakes made through lack of planning cannot be fixed after someone passes, so prioritizing planning is essential. Mark a date on your calendar to focus on planning for your loved ones' sakes.

PLANNING TO REMEMBER WHEATON IN YOUR ESTATE PLAN?

- Complimentary estate analysis ("EA") available, let us know if you want more information
- Think through your plan before going to your attorney
- The EA will help you clarify your objectives for time and cost efficiency
- Available to those planning to remember Wheaton College in their plan
- Estate gifts make a big difference providing support for students attending Wheaton

GIFT PLANNING INFORMATION SHEETS

- Giving Through Your Estate
- Charitable Remainder Trusts
- Gift Annuities
- Remainder Interest in Personal Residence or Farm
- Wheaton College Trust Company (can serve as Executor/Personal Representative or Trustee on your estate plan)

Request information about these services on the reply card.



Tax Expert Encourages CRUTs

Estate planning attorneys rely on Natalie Choate, author of “Life and Death Planning for Retirement Benefits,” for her brilliant advice on retirement account planning. Recent legislative changes may accelerate the timeframe in which beneficiaries must take distributions from retirement accounts (within ten years). As a solution, Choate encourages the use of Charitable Remainder Unitrusts (CRUTs).

Retirement accounts designated to a CRUT in your will can stretch out retirement payments to family members, reducing taxes and preserving an ultimate gift to Wheaton and other charities. While you can't talk to Choate, you can speak with us about how you can help yourself and charity by using a CRUT in your estate planning. To find out more, use the enclosed reply card, or call or e-mail us. We would be happy to talk with you.



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