



## Not Sure Where to Start?

Whether you consider yourself a novice or an expert when it comes to estate planning, the best place to start is always at the beginning. Let's see how much you know about estate planning:

**Approximately \_\_\_\_\_ % of Americans die without making a will.**

- a. 10   b. 30   c. 50   d. 70

*Answer: (d) 70. It is surprising that the majority of Americans die without executing a valid will.*

**If a person dies without a valid will, his or her assets will pass to:**

- a. A surviving spouse, if married  
b. Children  
c. State and/or federal government  
d. Beneficiaries determined under state law



*Answer: (d) Beneficiaries determined under state law. Chances are, the state's plan will not exactly reflect what your choices would have been. No person or charitable organization will share in the assets except relatives. You must make specific provisions if you want assets to pass to friends or your favorite charitable organizations.*

**Your will controls distribution of:**

- a. Real estate and other personal property  
b. Probate assets  
c. Investment accounts  
d. IRAs, other retirement assets, and life insurance

*Answer: (b) Probate assets. Property that you own outright in your own name constitutes your "probate" estate and will be subject to the provisions of your will or state law if you do not have a will.*

The disposition of some assets is determined by contract, such as beneficiary designations for retirement-plan assets, life insurance, or trusts. The beneficiary designation you make for these plans supersedes what is in your will. If you own real estate, brokerage accounts, or bank accounts jointly with right of survivorship with another person, the survivor will automatically own the entire property regardless of what is in your will.

**You do not need a will if you own your assets jointly and/or if the disposition of your assets will be determined by beneficiary designations in retirement plans, insurance policies, trusts, or similar documents.**

- a. True  
b. False

*Answer: (b) False. There is a host of potential problems in relying on this kind of "plan."*

The joint owner(s) or your intended beneficiary may predecease you. Absent a will, the property will pass under the laws of your state.

**Who should I list as beneficiary of my IRA or other qualified retirement plan upon my death?**

- a. My spouse  
b. My children  
c. A charity whose work I support  
d. It depends on my overall objectives

*Answer: (d) There can be significantly different results depending on the person or charitable organization you choose.*

If your estate plans include provisions for charity, retirement-plan assets are a wonderful choice to fund your gift. **Reason:** These tax-deferred assets are subject to ordinary income tax at the time of receipt, whether received by the owner or by his or her estate at the time of death. However, if you leave those assets to a nonprofit organization, because of its tax-exempt status, the income-tax liability will be avoided. This ensures the full use of the funds you donate and is more tax-advantageous for your loved ones, to whom you can direct other assets.

**You should begin your own estate-planning process:**

- a. Immediately  
b. When you get married  
c. When you have children  
d. When you retire

*Answer: (a) Immediately. Estate planning is a dynamic process. In many ways it is ongoing, changing as your family circumstances and your goals and objectives change. The best time to start planning is right now, based on your current circumstances and objectives.*

Don't be discouraged by thinking that you need to do everything at once. You can start taking small steps now:

- Review your will and make necessary changes, or execute a will if you don't already have one.
- Make sure the beneficiary designations in your life insurance policies, trusts, or retirement plans are consistent with your goals.
- Analyze investment accounts to make sure your investments are appropriate for your current objectives.
- Consider life-income gifts to meet your current or future cash-flow needs, and those of other intended beneficiaries.

### Which favorite charity might I include in my estate plan?

- A Cathedral that offers curriculum-based museum-education programs for elementary school students.**
- A Cathedral that welcomes nearly 700,000 visitors and worshipers annually.**
- A Cathedral that is a National House of Prayer for All People where nurturing the spirit is at the heart of its mission to the nation.**

*Answer: We hope you will consider Washington National Cathedral in your plans.*

For many of us, supporting important charitable causes during life and at death is an important goal. The benefits, in terms of both personal satisfaction and tax savings, often make personal philanthropy an important part of our estate planning. One way to make a gift is with a charitable bequest. Determine the type of bequest that best fits your objectives:

- **General bequest.** You simply leave a specified dollar amount (e.g., \$10,000) to Washington National Cathedral.
- **Specific bequest.** With such a bequest, you designate specific property (e.g., a vacation home) that you want Washington National Cathedral to receive.
- **Residuary bequest.** A residuary bequest is used to give Washington National Cathedral all—or a portion of—your property after all debts, taxes, expenses, and all other bequests have been paid.
- **Percentage bequests.** A bequest can also be expressed as a percentage of your estate or residuary estate. If fortune changes the size of your estate, this bequest will change in the same proportion.
- **Contingent bequests.** To prepare for the situation when a beneficiary dies before you or disclaims the property, consider naming Washington National Cathedral as the contingent beneficiary.

When you make a bequest, your estate will be entitled to a charitable deduction for the full fair-market value of your gift.

### Dodson's Bequest *continued from page 1*

Out of gratitude for his love of music as well as the other things that the Cathedral fostered in his life, David has chosen to give back. He gives back as a volunteer, initially as a trustee for the National Cathedral Association and now as a member of the Foundations and Philanthropy Committee. In addition, David has decided to support the Cathedral's growing music program with a charitable bequest. David states, "Music is such an important part of my life, and I am particularly grateful to the Cathedral for introducing it to me. I can't imagine that anyone could have had a more wonderful introduction to the church and to music than I was able to experience."

### Tally Your Score

*Correct*

*Answers Status*

0-1 Novice

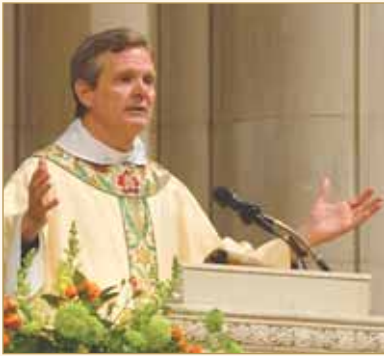
2-3 On the right track

4-5 In good shape

6-7 Thought of becoming an estate-planning attorney?

We hope you had fun with this quiz. Despite the lightness of the final question, we also hope this exercise was a helpful reminder of the importance of estate planning. For more estate-planning information, please return the enclosed card or call Kiran Reddy at (202) 537-5787.

## The Heart of Stewardship



**The Very Reverend  
Samuel T. Lloyd III, Dean**

I think St. Paul's analogy of the body and its members can apply to our Department of Membership and Development: The *National Cathedral Association* is our "feet"—carrying the Cathedral to every part of the country; the *Cathedral Fund* is our "eyes"—our vision to accomplish a vast array of ministries that witness to a risen and reconciling Lord Jesus; our program of *major gifts* is surely a strong right arm that enables the leaders of the Cathedral to extend worship, ministry, and programs to our local and national communities.

Steadily beating at the center of a body is the heart. I believe that our *planned giving* program is the heart of stewardship and philanthropy at the Cathedral. Like the heart, planned giving symbolizes the love we want to express. Like a healthy heart, a vibrant planned giving program is a sign that the rest of the body is healthy and strong. And just as we carry our prayers and concerns in our hearts, our planned giving program brings together the prayers and concerns that Washington National Cathedral remain a vital presence for the proclamation of the Good News to a broken world in need of healing.

The plans we make for giving at the end of our lives are a way of living out our faith. How important it is, then, to give serious, loving, and prayerful attention to this. I encourage you to witness to your faith by including the Cathedral in your estate plans, uniting your heart to ours in securing the mission of this House of Prayer for All People.

## The Cathedral Founders' Society

The **Cathedral Founders' Society** is an honorary society of friends who have chosen to support the life and work of Washington National Cathedral through bequests, trusts, or other deferred gifts. In gratitude for their generosity, the Cathedral awards Society members special recognition, including a worship service in their honor each year and a lapel pin in the design of the Cathedral's shield, the crossed keys and sword. ♦ If you have already remembered the Cathedral in your estate plans, we invite you to notify us in writing, so that we might extend our thanks and welcome you into the Founders' Society. You may, if you wish, become an anonymous member. ♦ If you would like to learn more about this opportunity to support the Cathedral, please return the attached reply card or call our office.



Massachusetts & Wisconsin Avenues, NW  
Washington, DC 20016-5198

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