

# Catholic Community Foundation

*of the Diocese of Richmond*



# ***Get Your Affairs in Order: 4 things your family will thank you for***

- 1 - Estate Planning: Wills & Trusts**
- 2 - Legacy Planning**
- 3 - Advanced Medical Directives**





# Your Catholic Heritage

- Catholic values and beliefs can be integrated into your affairs to finalize who and what is important you and how they can be a reflection of your faith.
- Getting your affairs in order can be a graced activity.

# Reasons to Get Your Affairs in Order

- It reflects *the way you want your affairs to be handled* in case of incapacity and death.
- It ensures that your assets pass to *whom you want, when you want, and the way you want.*
- It provides for the most effective transfer of your assets, estate taxes and reducing *hard decisions your loves will have to make* in a difficult time.

# Who Needs to Put Their Affairs in Order

## **If you:**

- Own a home/property
- Have bank accounts, retirement plans, life insurance, IRA, stock, mutual funds, heirlooms, etc.

## **If you don't have an estate plan:**

- Property generally passes according to *state laws*
- *No provision for charity exists under the laws of any state*, even if the you made substantial charitable contributions during your lifetime.



# Documents You Need

- Last Will & Testament
- Beneficiary Forms
- Catholic Advanced Medical Directives naming your Healthcare Power of Attorney/Health Care Surrogate
- Durable Do Not Resuscitate Order (DDNR)
- Organ Donation Form
- Catholic Funeral Mass Plan

# Documents You Need



# Types of Power of Attorney

- Durable Power of Attorney
  - Takes effect upon signing
  
- Springing Power of Attorney
  - Springs into effect if you become incapacitated



# Financial Power of Attorney

- Grants someone the authority to manage and make decisions about your finances.
- Choose someone you trust.



# Health Care Power of Attorney

- *Grants someone the authority* to make healthcare decisions for you when you cannot.
- *Allows doctors* to discuss your health with the person you choose.
- *Forgive them in advance* for having to make difficult decisions for you.



# Power of Attorney

## 5 Instances to Update Your Power of Attorney:

- You executed a medical or financial power of attorney before 1996; the *HIPPA Act* wasn't enacted prior to that year;
- You executed the medical power of attorney *prior to 2009* and you like *greater flexibility*;
- You executed a general power of attorney *prior to 2010* and you want to be sure that your agent will have *no problems* using it;
- Your agents have *died, have dementia, moved too far away* to be helpful or you want to name someone else; and
- You are *separated or divorced* and your current power of attorney names your (ex-) spouse.



# Advanced Medical Directives

- Take time to reflect on your beliefs about life, suffering, and death. From a ***Catholic perspective human life is a sacred gift from God.*** All persons, regardless of their medical or physical condition, possess ***inherent dignity and are worthy of respect, protection, and care.***
- Does the medical treatment offer a ***reasonable hope of benefit*** and does not place ***excessive burdens*** on the patient and family?
- Catholic teaching recognizes that ***death*** is an inevitable part of life and ***is a transition to eternal life.*** Death should be accepted as part of the human condition and need ***not be delayed by all possible means.***
- **DDNR** must be in plain view.

# Last Will & Testament

- Testate and Intestate
- Directs the distribution of your estate upon our death.
- The Executor is the personal representative who carries out your desires of the estate upon your death.
- A Will does not avoid probate.

# Reasons for Putting Your Will in Place

- Avoiding Time and Cost of Probate
- Avoiding Estate Taxes
- Planning for Disability/Incapacity
- Protecting Beneficiaries
- Protecting Assets from Creditors
- Minimizing Family Stress



# What is Probate?

- Court supervised process.
- Process to distribute assets from your estate to named beneficiaries.
- Process can last several months to a year.



# Probate: Pros & Cons

## Pros

- ✓ Costs are typically modest
- ✓ Court supervised
- ✓ Enforces intentions of the deceased if a will exists

## Cons

- ✓ Can be time consuming
- ✓ Title transfer delays
- ✓ Public record
- ✓ Can be stressful for executor and family

# Ways to Avoid Probate

- Joint Property Ownership
- Beneficiary Forms
- Trusts



# What is a Living Trust?

It is a written **legal document** through which your assets are placed into a **revocable trust** for your benefit during your lifetime and then transferred to **designated beneficiaries** at your death by your chosen representative, called a "successor trustee."

# Types of Trusts

## Revocable Trust (Living Trust) vs. Irrevocable Trust

The simplest **difference between** the two is that assets remain in the grantor's estate in a **revocable trust** but move out of the estate in an **irrevocable trust**.

The primary reasoning behind the **irrevocable trust** is that there are many good reasons for clients to want to move assets out of their estate.

# Benefits of a Trust

- Allows for the management of your assets during your lifetime
- Directs the distribution of assets upon your death
- Avoid Probate
- Protects privacy
- Reduces administrative burden on family and loved ones



# Legacy Gifts & Our Faith

- Legacy gifts *reveal our faith to our community* as a witness of God's great love for us. They are a final testament of what you value as a Catholic.
- It demonstrates your *gratitude to God* for all the gifts with which He has blessed you.



# What are the Types of Legacy Gifts?

- Bequest through a Last Will & Testament
- Life Insurance (Beneficiary Form)
- Retirement Plans (Beneficiary Form)
- Stock and Mutual Funds (TODs)
- Bank Accounts and Money Markets (PODs)
- Real and Tangible Property
- Charitable Gift Annuity

# Bequest through a Will

- The most common form of legacy giving.
- A legacy gift made payable after the donor passes away.

**Example:** I give, devise, and bequeath to ***your parish*** of the Catholic Diocese of Richmond, Virginia the sum of \$\_\_\_\_ (*or*) \_\_\_\_percent (%) of the rest, residue, and remainder of my estate, both real and personal.



# Inspiring Legacy Giving

Mrs. Davenport, a long-time parishioner of St. Patrick Catholic Church, made a bequest in her Will to the parish. She left her entire estate of \$820,000 and her 2 dogs.



# Securities and Retirement Plans

- Name a primary and secondary beneficiary
- Gifts can be whole or a percentage
- No capital gains tax

# Inspiring Legacy Giving



Mr. Edgar Duffy

- Former City Clerk for the City of Richmond.
- Bought stock in Brown-Forman that owns Jack Daniels, Woodford Reserve and other liquors.
- Bequeathed over \$4.5 million to St. Benedict Church, the Diocese and other Catholic organizations in the Diocese of Richmond.



# Inspiring Legacy Giving



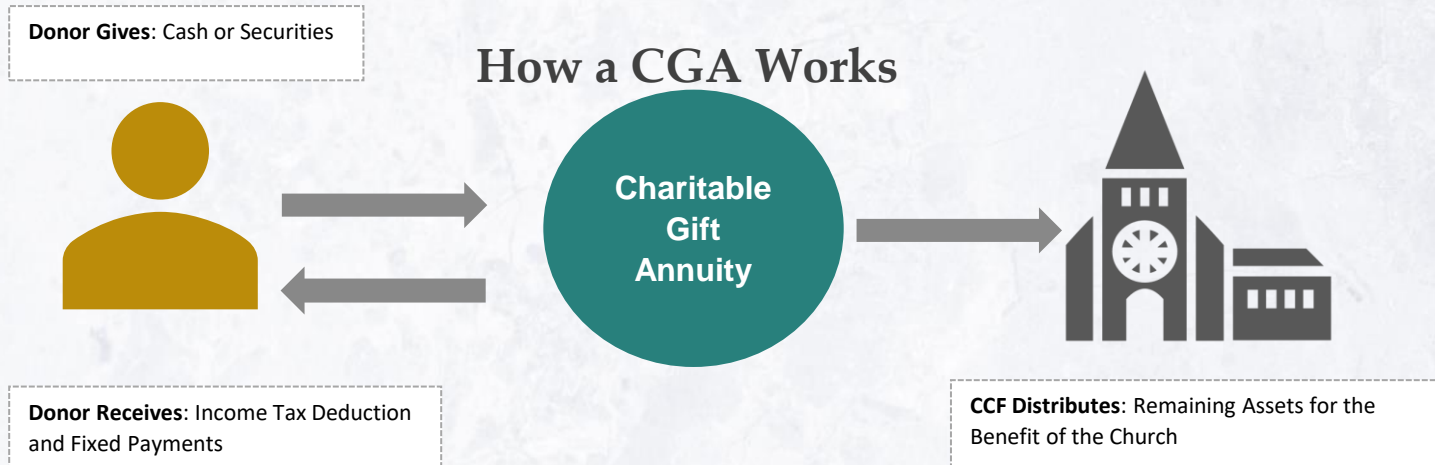
Angela D'Allessandro led an active parish life at St. Michael for many years. With her generous heart, she willingly helped out in many ways. Angela would say she did not have much money to give in the collection, so she selflessly gave of her time and talent.

She made a bequest in her Will of \$31,000 from her retirement account to the parish. They used half the proceeds to establish the St. Michael Endowment Fund.

Her legacy will live on in perpetuity, a reminder of her generous spirit!

# Charitable Gift Annuity

- A gift that **returns income to you** for life with the remainder going to the parish upon your death.
- Rates are based on age by the American Council on Gift Annuities.



# Inspiring Legacy Giving

Christine McGrath, Catholic Church of Saint Mark, Virginia Beach



*“Last year, I made the decision to purchase a **charitable gift annuity** with the Catholic Community Foundation of the Diocese of Richmond. By doing this, I was able to make a donation the church while **receiving fixed payments for life**. I designated any **remaining money** to go to the **Diocesan Music Ministry** after my death.”*



# Inspiring Legacy Giving



Bernard and Nancy Goehring  
St. Francis of Assisi, Rocky Mount

Mr. Goehring wanted to make sure Nancy's income would not be affected when he passed away and they wanted to name the parish's social ministry program as the beneficiary. August 2020, the parish received \$46,000.

# How You Can Shape the Impact of Your Legacy Gift?

- **Family**
- **Friends**
- **Faith Community**
  - Catholic Parish
  - Catholic School
  - Catholic Ministry
  - Donor-named Endowment Fund



# Questions to Consider

- *Who will serve as your financial and health care power of attorneys?*
- *What assets will you gift and how much?*
- *What are the tax and financial considerations and tax consequences for your heirs?*
- *What are your values and philosophy of life?*
- *How do you want your vigil and funeral Mass to reflect your Catholic values?*



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**The End!**

**Q&A**

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