A plan for the people you love

Estate planning for every family

Matthew 6:19–21
"For where your treasure is, there also will your heart be."

Estate planning topics



- What is estate planning?
- Who should have an estate plan?
- What legal documents make up a basic estate plan?
- How can I leave assets to my favorite charities?
- What type of taxes are involved in estate planning?

What is estate planning?



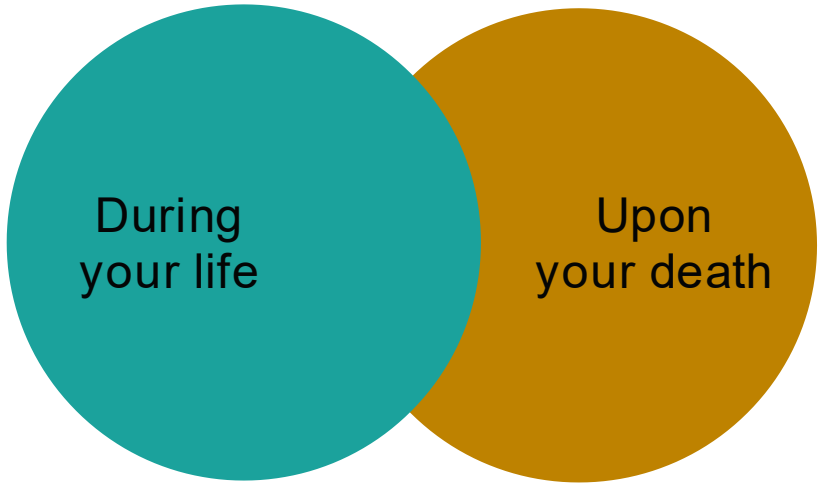
It’s mapping out how you want your personal and financial affairs to be handled in case of incapacity or death and creating legal documents necessary to do so.

Why should you have an estate plan?



Fail to plan, plan to fail

A well-executed estate plan can help achieve a variety of goals during your life and upon death.



- Protect and honor your wishes in the event of your incapacity
- Allow heirs to enjoy and benefit from gifts while you are alive
- Give you peace of mind

- Provide expectations, support, and stability for heirs
- Support your favorite charity with a gift of money, securities, or other property
- Support business succession planning
- Mitigate estate taxes
- Navigate complex family situations

- Distribute assets in a timely manner
- Preserve and protect generational wealth
- Protect your and your family's privacy
- Minimize expenses and ensure adequate liquidity
- Avoid changes to your wishes in the face of legal challenges

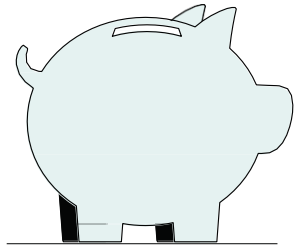
Source: Vanguard.

Size up your estate



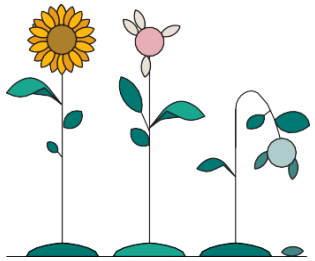
Who?

Identify the key individuals and organizations you want to leave your assets to



What?

- Your property may include real estate, vehicles, investments, business interests, jewelry, or other personal/valuable items
- May be traditionally valuable or purely sentimental



When?

You can gift assets during your lifetime or upon your passing, the choice is yours

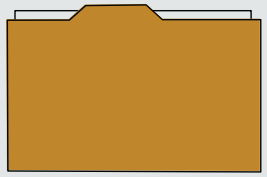


How?

Think through specific wishes and/or restrictions you want to be reflected in the distribution of your estate

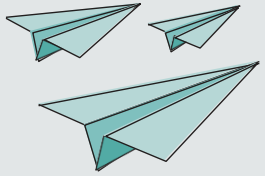
Source: Vanguard.

INVENTORY YOUR FINANCIAL WORLD



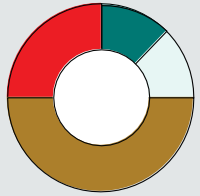
Documents

- Birth/Death/Marriage certificates
- Divorce decrees
- Military records
- Deed to properties, lease agreements, time shares
- Vehicle registrations



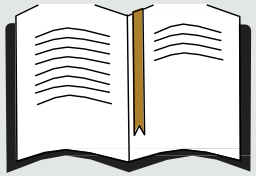
Subscriptions/Digital assets

- Subscription services (Amazon, Netflix, Lifelock)
- Email accounts, social media, blogs



Investment/Bank accounts

- Safe deposit box
- Checking/savings accounts
- Savings bonds
- Retirement accounts
- 529 plans
- HSA plans



Employer benefits and insurance policies

- Pensions
- Social Security statement

Source: Vanguard.

PREPARING YOUR HEIRS



Spouse

- Can they live comfortably if I pass away first?
- Do they have an established relationship with our financial advisor?

Children

- Are they prepared to receive an inheritance?
- Did they receive education around investments?
- Have you accounted for any complex family situations?

Grandchildren and future generations

- Do they understand how you built your wealth?
- Is there a shared family mission and vision?

Charitable organizations

- What are the organizations and causes you believe in?
- Benefit what you believe in!

Source: Vanguard.

Three essentials in a family plan

Document	Purpose	When needed
Will	Directs your probate estate and nominates a guardian	After death
Living will and health-care agent	Guides medical care and names a decision-maker	When you cannot make health decisions
Durable financial power of attorney	Authorizes someone to manage finances	During life, as the document provides

Health-care authority and financial authority are distinct.

A will records your choices

Your property	Direct how assets governed by your will should pass.
Your children	Nominate a guardian for minor children.
Your executor	Name someone to administer your estate.

A will takes effect at death. It can still require probate.

Without a will, state law decides

Inheritance rules may differ
from what you would choose.

Family assumptions	A spouse does not always inherit the entire probate estate.
Personal intentions	Informal promises may not direct an inheritance.
Additional wishes	Friends or charities may receive nothing under default rules.

Determining whether a will is right for you

Advantages	Disadvantages
Avoids property passing to people you do not wish to benefit	Probate fees can be expensive depending on the state in which you reside
Avoids disputes over intended beneficiaries	Court-mandated oversight of administration of your estate may increase legal fees
Implements tax advantages	Time delay in transferring assets to beneficiaries
Clarifies rights and duties of personal representatives and trustees	

Types of ownership and probate

Probate

- Sole (individual) ownership
- Tenants in common (TIC)
- Beneficiary is “estate of the insured”
- Community property (50% attributed to each spouse)

Avoid probate

- Joint tenancy with rights of survivorship (JTWROS)
- Tenancy by the entirety (TBE)
- Assets with named beneficiaries
- Property held in trust

What is a trust?



It is an arrangement that allows a third party (trustee) to hold and manage assets on behalf of beneficiaries.

What are the roles involved in a trust?

Grantor	Trustee	Beneficiaries
Establishes the trust	Administers the trust per its terms	The people or entities who derive the benefits of the trust
Decides what property will be included	Makes investment decisions and beneficiary distributions	Receive distributions of income or principal
Determines the beneficiaries and when distributions will be made		

Understanding the differences between revocable and irrevocable trusts

Revocable trust basics

- Created during grantor's lifetime
- Can be changed while the grantor is living
- Effective when trust document is signed and assets are transferred to the trust
- Works in coordination with a will

When to use a revocable trust

- For easier management of trust-owned assets if you become incapacitated
- Avoid state probate process
- Ensure assets are kept private and not a matter of public record

Irrevocable trust basics

- Created during grantor's lifetime or at their death
- Cannot be changed or revoked without permission from a court
- May offer tax advantages as well as disadvantages
- May contain specific restrictions for access and use of assets
- Only way to permanently remove assets from an estate

When to use an irrevocable trust

- Care for and protect assets for a child with special needs
- Mitigate concerns about an heir(s) not being able to effectively manage their inherited assets (ex., a spendthrift)
- Protect assets from a divorced spouse or a beneficiary's creditors
- Provide specific structure for how funds are inherited
- Take advantage of generational tax-planning opportunities

INCAPACITY PLANNING

Durable power of attorney for health care

- Legal document that assigns a person (your “health care proxy” or “health care agent”) to make medical decisions on your behalf in the case of incapacity

Durable financial power of attorney

- Legal document that assigns a person authority to manage your finances and make financial decisions in the case of incapacity

Advance directive for health care

- Often called a living will
- Takes effect if you cannot make decisions based on illness or incapacity
- Outlines preferences for life-sustaining treatment

Letter of instruction

- Funeral plans, including cremation or burial
- Obituary information
- Organ donation instruction
- Key contacts, list of people to notify
- Comprehensive list of personal and financial details

Work with your advisor to account for potential long-term medical care costs.



A living will guides your care

Written instructions help loved ones understand your health-care wishes.

Treatment decisions	Record preferences for care if you cannot decide.
A health-care agent	Name someone who understands your wishes and faith.
A shared conversation	Discuss the plan with your agent and medical team.

Tennessee's advance directive combines instructions and an agent appointment.

Health-care planning and our Catholic faith

Your instructions can express your commitment to the dignity of life.

Care and comfort	Appropriate treatment, pain relief, and spiritual support.
Moral guidance	Proportionate care, with attention to benefits and burdens.
Trusted counsel	Your physician, priest, and a Catholic ethics resource.

A durable power of attorney keeps finances moving

A trusted agent can act within the authority you grant.

Household needs	Pay bills and manage accounts.
Financial responsibilities	Handle property, insurance, or taxes as authorized.
Protection during incapacity	“Durable” means the authority can continue if you lose capacity.

Financial power of attorney ends at death.

The people who carry out your plan

Willing and trustworthy	Ask before naming an executor, guardian, or agent.
Able to serve	Consider judgment, availability, and the responsibilities involved.
A backup for each role	Name alternates and keep contact information current.

Different people may serve in different roles.

A current plan reflects your life

A brief annual review helps catch changes.

Family changes	Marriage, divorce, a birth, or a death.
Personal changes	A move, health change, or new financial circumstances.
People and documents	Unavailable agents, outdated beneficiaries, or missing copies.

FreeWill is available to parishioners

Saint Matthew Catholic Church is making a free planning resource available.

FREEWILL

A place to begin — Prepare a will and explore health-care and financial documents including wills and trusts.

A personal choice — A charitable gift is optional.

A completed plan — Follow the signing instructions and keep documents accessible.

Ask your parish for access to the diocesan FreeWill resource.

Catholic Charitable Considerations

Simple Bequest	Remember your parish, the diocese, and other ministries you have supported. Bequests can be a specific amount, a percentage of an estate, or a tangible asset such as a home or other real property.
IRA, 401K and 403B Beneficiary Designations	Gift all or a portion of certain retirement accounts.
Life Insurance Policies	Old permanent insurance can be gifted by simply changing the beneficiary designation.
Donor Advised Funds	Sometimes it's best not to have DAF's, Trusts, or Family Foundations pass to the next generation.

DEATH MAY BE CERTAIN BUT TAXES DON'T HAVE TO BE

When done correctly, your investment into estate and tax planning is a tradeoff scale.

The more time, effort, and money you allocate toward this planning now …

the more control you have over what happens to your assets upon your passing.

Source: Vanguard.

The larger your estate, the more critical it is to be mindful of your potential tax liability



Manage your future estate by transferring assets now

- Take advantage of gifting up to $19,000[1] in 2026 to as many individuals as you wish without owing tax or eating into your lifetime exemption
- Give an unlimited amount to charity
- Contribute to a 529 college savings plan or prepaid tuition plan; consolidate up to five years of annual exclusion gifts, $95,000 in 2026 per person, in one single year to this type of plan[2]
- Pay any amount toward another person's tuition or medical bills, must be paid directly to the medical provider or educational institution
- Give any amount to your spouse, if he or she is a U.S. citizen, non-U.S. citizens are limited to $194,000 in 2026

1 Subject to cost-of-living increases.
2 If you elect this option, you cannot make any additional annual exclusion gifts to the same recipient for the five-year period.

Inheritance options for spouse beneficiaries

1

Roll assets into your own IRA

Pros

- Simple due to account consolidation
- Enables you to delay distributions until you reach 73

Cons

- Subject to 10% penalty if under age 59.5 and need to access funds

2

Leave assets in inherited IRA in your spouse's name

Pros

- Can take distributions any time prior to 59.5 without penalty
- Can transfer assets to your own IRA in the future
- Multiple distribution options:
  - *RMDs in the year the deceased account owner would have turned 73*
  - *RMDs calculated on your own remaining life expectancy from "Single Life table"*
  - *Follow 10-year rule*

Cons

- Maintain multiple accounts and distribution strategies between your own IRA and any inherited IRAs

3

Disclaim

- Must occur within nine months of IRA owner's death
- IRA assets will pass to remaining primary beneficiaries or contingent beneficiaries

Pros

- Reduces your estate, which is beneficial if you will exceed your estate tax exemption amount otherwise

Cons

- Lose access to and ownership of inherited funds
- Irrevocable decision

Source: https://www.irs.gov/retirement-plans/plan-participant-employee/retirement-topics-beneficiary

Communicate your plan through a family meeting

Considerations

1

Roles of each family member

- Who is responsible for each part of your estate plan?
- Consider responsibilities while you are living versus upon your death

2

Clarify your intentions

- Tell your story around your wealth
- What is your vision for your assets now and in the future?

3

Express your wishes

- Be clear and specific regarding what you want to happen
- Make sure there is alignment between what you say and what is reflected in your formal estate plan

Key points and takeaways

- Get organized and evaluate your estate
- Reflect on your desires for your life and for after you are gone
- Keep a close eye on the value of your estate and, if you will exceed your lifetime exemption, start planning early
- Pick the right professionals for your team
- Host a family meeting to communicate your plans to your heirs
- Revisit your estate plan every five years or when any material changes occur in your life (death, birth, marriage, divorce)

Professional advice remains important

A sound existing plan deserves
continued care with your advisers.

If your plan works	Review it with the professionals you already trust.
If your needs are complex	Seek advice for blended families, special needs, businesses, or trusts.
If you need help	The Diocese can refer you to additional resources.

FreeWill is an optional resource for common planning needs.

Your next steps

Set a date to complete or review your plan.

1. Confirm your will, health-care instructions, and financial authority.
2. Talk with the people you name and use professional help as needed.
3. Sign correctly. Share the plan. Keep it current.

Caring for your family is an act of stewardship.

Every family needs a plan

Luke 14:28
“Which of you wishing to construct a tower does not first sit down and calculate the cost to see if there is enough for its completion?"

1 Timothy 5:8
“And whoever does not provide for relatives and especially family members has denied the faith and is worse than an unbeliever."

Psalm 90:12
"Teach us to count our days aright, that we may gain wisdom of heart."

Everything we have and hold is entrusted to our care

Psalm 24:1

"The earth is the LORD's and all it holds, the world and those who dwell in it.“

1 Chronicles 29:14

"For everything is from you, and we only give you what we have received from you."