



Estate Planning Guide

In this booklet, we will first spend some time talking about the key elements of an estate plan, the documents you should have, and some charitable giving ideas you might want to incorporate into your estate plan. Then you will have the option to record personal and financial information that you need to share with your family and to create your estate plan right now. Note: if you are married or have a partner, it will be most helpful if each of you complete separate information inventories.

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- Documents
- Selected Terminology



Umpqua Watersheds, Inc.
539 SE Main Street
PO Box 101
Roseburg, OR 97470
Phone: 541-672-7065
Email: melanie@umpquawatersheds.org

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Why leave a will?

Since our founding in 1995, Umpqua Watersheds has pursued a mission to protect and restore our valuable and unique watershed. Over the past 25 years, Umpqua Watersheds has dedicated itself to advocacy for our environment. By incorporating Umpqua Watersheds into your estate plans, you can help strengthen our financial foundation for the future. Your forethought can have an enduring impact by ensuring that we continue our mission for protection of our environment. Here you will find important information on estate planning and why it benefits you.



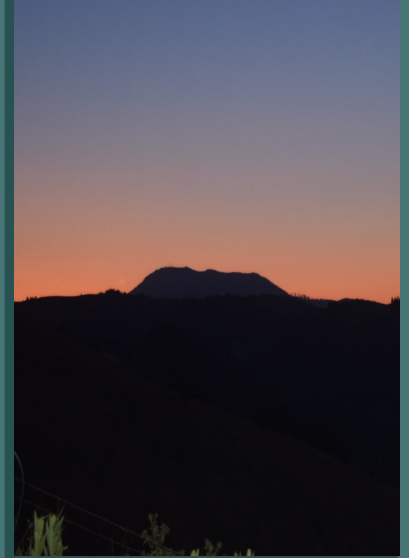
PEACE OF MIND

An estate plan is designed to provide for you during life should the unforeseen happen and for your family when the foreseen (your passing) does occur. An estate plan and its associated documents will help guide your family if they need to make difficult decisions about your care, provide the authority they might need to do so and to know what to do when you are gone. Plan a final gift to your family and other loved ones when they need it the most. And consider Umpqua Watersheds for a lasting legacy.



PROVIDE FOR YOUR FAMILY

An estate plan is especially important if you have minor children as it will name a guardian to care for your children and in many instances establishes a trust to help ensure their financial well-being. A good estate plan will help streamline the distribution process, minimize administrative costs, and possibly reduce taxes that might otherwise be owed. Planning allows you to leave the most that you can to the people you love and the causes you care about.



YOUR DECISION

Without an estate plan of some type, the laws of your state determine what happens to your property. This is called intestate succession (property inheritance when there is no will). No state distribution law provides for gifts to friends or charities or makes provisions for your pets. Make sure what you have earned and accumulated in your lifetime goes to help those you love and causes that you care about. With thoughtful planning you can provide for your loved ones and leave a specific piece of property, portion of, or even the remainder of your estate to charity.

COMPONENTS OF A WILL

Study the options

There are pros and cons with each approach to estate planning. See an attorney for advice as to which is best for you.

A Will

A valid will is generally typed, dated, and signed by you as well as two legally competent witnesses. States differ as to whether a handwritten will, with or without witnesses, is valid. You can make charitable gifts in your will of a specific dollar amount, a specific asset, or all or a percentage of the remainder of your estate after all debts and other distributions have been made.

Revocable Living Trust

This legal document can be used instead of a will as the primary process to distribute your property. You might hear it referred to as a “living trust” or “RLT.” The trust is created while you are living, most often people serve as their own trustee, and the power to change and even revoke it can be retained. The living trust becomes **irrevocable** upon your death. A living trust requires that you actually transfer your property into it for it to be effective. As with a will, you can make gifts to favorite charities in your revocable living trust. These gifts will in most cases be distributed to the charities you name after your passing. Note: even if you decide upon a revocable living trust, you should still have what is called a “pour-over” will. It catches any property that was, intentionally or inadvertently, left out of the trust during your life and is not transferred in another way. While this property will still need to go through probate, it will eventually be distributed according to your trust instructions instead of being distributed under state law provisions.

Beneficiary Designations

These are the forms you fill out when you, for example, open a bank or stock brokerage account, establish an IRA or other type of retirement plan, purchase a commercial annuity or life insurance policy, that designate who will receive whatever remains upon your passing (or the death benefit in the case of life insurance). You can name charities in beneficiary designations to receive all or a portion of the account upon your passing.

Form of ownership

Jointly titled property that is owned as joint owners with right of survivorship passes directly to the surviving joint owner regardless of what the will or living trust might provide. This is most often seen with real estate, but can involve other types of property as well. If you live in a community property state, your half of the community property will pass automatically to your spouse.

The latter two means of passing property can have a profound impact on how your overall estate is distributed and should be considered as part of any coordinated plan.

Steps to Having an Estate Plan

Depending on your situation, creating an estate plan doesn't have to be overly difficult or expensive. Here are some practical steps to get you started:

- 1) Take inventory of what you own. List all of your assets (real estate and investments) and their approximate value. Include pertinent information about that asset.
- 2) Make a list of tangible personal property such as jewelry, dishes, books, furniture,



collections — items other than real estate and investments — and who is to receive the property upon your passing. You may want to maintain this as a separate list rather than designating this in your will for maximum flexibility.

- 3) Think about your goals for your estate plan, for example, who you want to benefit, how you want to treat each of your children, any special needs that you want to provide for, what happens if you and your spouse both pass away close in time, and if there are charities or organizations you want to remember. Your attorney will most likely ask you about goals you didn't consider, but at least you'll have a head start on those that are most top-of-mind.
- 4) Consider whom you would like to name as your agents, e.g., the executor of your will or the trustee of your trust, the person to

hold your power(s) of attorney, and gather pertinent information about them.

- 5) Contact an attorney, preferably one who specializes in estate planning. If you don't have one or know of one to call, check with family, friends, or co-workers for recommendations.
- 6) Follow through on whatever actions are decided upon in the meeting with your attorney. Rely on the advice of your attorney and other professional advisors as you make your decisions.
- 7) Share your plans with others. Key documents are of little or no value if no one knows what they say or where to find them when they are needed. This is especially true for the person(s) you have designated to serve as your personal administrator/executor under your will or the trustee of your living trust. It is also important to give loved ones at least a general sense of what to expect, so that there will not be surprises later on.

Do I need to consult an attorney?

Yes. Estate planning is a very complex area of the law and shouldn't be left to a one-size-fits-all arrangement. This is especially true when you have a combined family. What is best for your sister and brother-in-law is not necessarily best for you! While there is a cost involved in preparing your plan, it is modest compared to the value of having appropriate arrangements for your family, minimizing probate fees and costs, and possibly saving state and federal estate taxes.

CHARITABLE GIVING



LEGACY GIFTS

Making a legacy gift to Umpqua Watersheds is a wonderful way to leave a legacy and continue a lifetime of support for an institution that has meant so much to you.

[Bequest Language

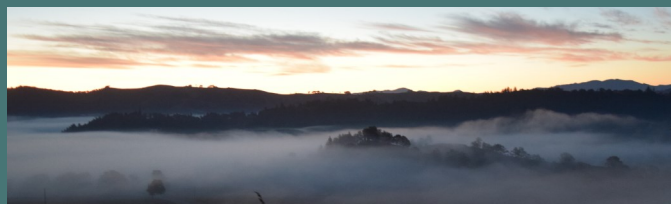
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I give to Umpqua Watersheds, 539 SE Main Street, Roseburg, OR 97470 , an Oregon nonprofit corporation, Federal Tax Identification Number (93-1165587) [insert here the exact dollar amount].”



BEQUEST

This is a gift made through your will or living trust. You can leave a specified amount of money, a particular piece of property, or all or a portion of the ‘residual’ of your estate (what remains after your final expenses, debts, and specific gifts are paid). See above “Bequest Language” or visit our website for sample bequest wording that you can share with your attorney.

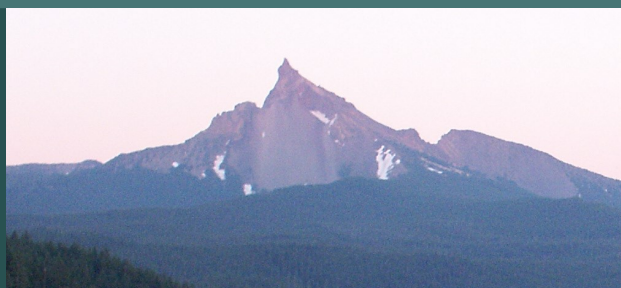


BENEFICIARY DESIGNATION GIFT.

Just as you designate individuals to receive certain assets directly as your named beneficiary, you can name Umpqua Watersheds to receive part of the asset. This is most commonly used with IRAs and other retirement plan assets and life insurance policies, but it can also work with assets such as checking and savings accounts, brokerage accounts, and commercial annuities.

In addition to leaving a final legacy, bequests and beneficiary designations have the advantage of being flexible (give as little or as much as you like), revocable (generally they can be changed at any time), and perhaps most importantly, they leave the assets under your control should you need them during your lifetime. Bequests and beneficiary designation gifts are fully deductible from your estate and there is no limit as to how much can be deducted.

CHARITABLE GIVING



CHARITABLE REMAINDER TRUST.

A charitable remainder trust can help you maintain or increase your income while making a significant gift to Umpqua Watersheds. It is an especially attractive gift if you would like to sell an appreciated asset, e.g., real estate held for investment purposes, and generate income from the sale without paying capital gains tax.



RETAINED LIFE ESTATE.

You can give your personal residence to Umpqua Watersheds and continue living in it for the rest of your life. You have the satisfaction of knowing that this generous gift has been completed and the joy of saving on income taxes with the charitable deduction you will receive. Gifts of property (or retained life estate) must be within acceptance policies.

DO I NEED TO HAVE AN ESTATE PLAN?

Yes. Regardless of the size of your estate, you want to ensure that what you have will go to those you love and care about and that your wishes are carried out. But a good estate plan does far more than that. It cares for you as well as the things you value. It grants a POA for financial and health matters should you become incapacitated and states your wishes regarding final medical care. Your estate documents become a last expression of what you have valued in your life, expressed through a personal statement and by what you leave to whom.

WILL I BE ABLE TO MAKE CHANGES?

If your plan is fairly current, it is easy to make a change or two, such as adding a charitable beneficiary. Your attorney can prepare an amendment to your will (called a "codicil") or to your living trust. Many times this can be done quickly and for a nominal cost.

It is a good idea to update your plan every seven to ten years. Some people have an annual check-up with their attorney. Certainly whenever there is a significant event in your life such as the birth of a child or grandchild, sale of a business, retirement, change in marital status, or death of a spouse or other loved one, you should review your plan for necessary changes.

HOW TO LEAVE A LASTING LEGACY TO UMPQUA WATERSHEDS

If you wish to leave a bequest to Umpqua Watersheds, the process is relatively simple. As you consult your attorney on the selection of appropriate wording to reflect your own goals and intentions regarding Umpqua Watersheds, be sure that our correct legal name appears in all final documents as:

“I give to Umpqua Watersheds, Inc. having a principal place of business at 539 SE Main Street, Roseburg, OR 97470, Federal tax identification number 93-1165587, ____ percent of my residuary estate (or \$____, or other property) to be used or disposed of in its sole discretion as it deems appropriate.”

Types of Bequests for Umpqua Watersheds

Specific Bequest: Umpqua Watersheds receives a specific dollar amount, a specific piece of property or a stated percentage of the estate. This is one of the most popular forms of bequests.

Residuary Bequest: Umpqua Watersheds receives all or a stated percentage of an estate after distribution of specific bequests and payment of debts, taxes and expenses.

Contingent Bequest: Umpqua Watersheds receives all or part of the estate under certain specified circumstances, such as the death of another beneficiary.

Unrestricted: This type of gift is a gift that Umpqua Watersheds may use for its general purposes. An unrestricted gift is very useful to Umpqua Watersheds because Umpqua Watersheds will have flexibility to put the gift to the best possible use at the time it is received.

Restricted: A restricted gift is given to Umpqua Watersheds with instructions for a specific purpose, such as support for a special project or program that is important to you. Please consult with the Umpqua Watersheds prior to establishing your restrictions to ensure that Umpqua Watersheds is able to carry out your wishes.



To receive further information and assistance on estate planning, or to learn more about how your gift can help Umpqua Watersheds, please call our office at (541) 672-7065 or email Melanie@umpquawatersheds.org

DOCUMENTS

As we get older, we acquire more documentation. Keeping track of our important documents and information is essential.

While your passing is a certainty, when it will happen is not, and there are other uncertainties in life. Imagine the peace of mind that will come from knowing you have done all that you can do for yourself and your loved ones to be prepared for the unexpected. Gathering information is your first step in this process. While it will take some time to complete, the time couldn't be better spent. This list is designed to help you organize your important information. It is by no means a complete list of items needed for you and your family. Every person has a unique set of

circumstances, investments and obligations. This is a basic guide and will require or perhaps inspire you to think about your own situation and assets, obligations, and debts. This will in turn help you when you go to see an attorney to prepare your will and other key planning documents. It will also help your loved ones at a time when they need it the most such as if you are no longer able to make decisions for yourself or if you have passed away. Knowing that your wishes will be carried out is worth it for peace of mind today.



THE ESSENTIALS

⇒ Will

Letter of Instruction

Trust Documents

⇒ Durable Health-Care Power of Attorney

⇒ Life Insurance Policies

⇒ Marriage/Divorce Documents

⇒ Retirement Assets

401(k) or Thrift Savings Plan

Pension Documents

Annuity Contracts

Social Security Payments

⇒ List of Bank Accounts

List of all User Names and Passwords

⇒ Safe Deposit Box

⇒ Housing, Land and Burial Deeds

Escrow Mortgage Accounts

⇒ Loans Made and Debts Owed

⇒ Stock Certificates, Savings Bonds and

Brokerage Accounts

⇒ Beneficiaries: Names, addresses and Social

Security Numbers

⇒ Tangible Property

Type & Value

Vehicle Titles

Collections

Equipment

SELECTED TERMINOLOGY

- **Administrator** - The person appointed by the court to manage one's estate when he or she dies without leaving a will. Administrators have the same duties as executors.
- **Annuity** - A contractual arrangement to pay a fixed sum of money to an individual at regular intervals. The annuity secures fixed lifetime payments to the benefactor and/or another individual.
- **Beneficiary** - An individual designated to receive benefits or funds under a will or other contract, such as an insurance policy, trust or retirement plan.
- **Bequest** - A gift or legacy left by will, typically personal property or assets.
- **Codicil** - A legal instrument made to modify an earlier will.
- **Decedent** - A deceased person.
- **Estate** - An interest in assets and personal property; also the legal entity which manages and distributes a decedent's property.
- **Estate Tax** - A federal tax on the value of the property held by an individual at his or her death (paid by the individual's estate).
- **Executor** (or Personal Representative) - The person named in a will to manage the estate. This person will collect the property, pay any debt and distribute your property or assets according to the will.
- **Fiduciary** - A person or institution legally responsible for the management, investment and distribution of funds. Examples include trustees, executors and administrators.
- **Grantor** - The person who transfers assets into a trust for the benefit of him/herself or others.
- **Guardian** - An individual legally appointed to manage the rights and/or property of a person incapable of taking care of his or her own affairs.
- **Heir** - A person entitled to inherit a portion of the estate of a person who has died without a will.
- **Inter Vivos Trust** - A type of trust created during one's lifetime to hold property for the benefit of him/ herself or another person.
- **Intestate** - The term applied when an individual dies without a will.
- **Legacy** - A transfer of personal property by a will.
- **Living (Revocable) Trust** - A revocable trust established by a grantor during his or her lifetime in which the grantor transfers some or all of his or her property into the trust.
- **Living Will** - Instructions specifying decisions regarding an individual's health if they are no longer able to make decisions due to illness or incapacity, and appoints a person to make such decisions on their behalf.
- **Personal Representative** - An executor or administrator charged with marshaling assets, paying bills and taxes, and ultimately distributing an estate.
- **Power of Attorney** - A written legal document that gives an individual the authority to act for another.
- **Probate** - The court supervised process of administering the estate of a deceased person by resolving all claims and distributing the deceased person's property under a valid will.
- **Settlor** - The creator of a trust.
- **Testamentary Trust** - A trust that is created upon death by the terms of a person's will or living trust.
- **Testator** - An individual who dies leaving a will or testament in force.
- **Trust** - A written legal instrument created by a grantor for the benefit of him/herself (during life) or others (during life or at death).
- **Trustee** - The individual or institution entrusted with the duty of managing property placed in the trust. A "co-trustee" serves as trustee with another. A "contingent trustee" becomes trustee upon the occurrence of a specified future event.
- **Will** - Also called a **Testament** is a legally executed document that directs how and to whom a person's property is to be distributed after death.