

# Strategies

A RESOURCE FOR THOUGHTFUL PLANNING

Robert Wood Johnson University Hospital Hamilton Foundation | Fall 2023

## Do You Have a Plan?

October 16-22, 2023 is **National Estate Planning Awareness** week. Established in 2008, through U.S. House of Representatives resolution 1499, the goal of this designation is to remind the public that estate planning is an essential part of overall financial wellness. A proper estate plan ensures that your intentions for family, other loved ones, and perhaps your favorite charities, are properly met.

**Reminder:** Estate planning isn't just for the wealthy or elderly. Everyone should do it.



### Fast Facts

**Two out of three Americans** do not have any type of estate planning document.

**64%** of Americans think having a will is important, yet only **34%** of Americans have an estate plan.

**Procrastination** is the main reason people say they don't have a will.

(Source: Caring.com)

## Getting Started: 5 Steps to Begin Your Estate Planning

### STEP 1

#### Inventory your assets

Compile a list of all of your assets and their value. Once you've got it all organized you can start thinking about what to do with it.

### STEP 2

#### Think about your priorities

Before you get down to the specifics of planning, consider your priorities and goals. What are you looking to achieve?

### STEP 3

#### Identify your beneficiaries

Make a list of the individuals and organizations that you want to provide for in your estate plan. Note any conditions that might determine the method and circumstances.

### STEP 4

#### Call a family meeting

If applicable, work closely with your spouse from the beginning. Coordinating plans between spouses often leads to additional savings for your estate. You may also want a meeting to discuss your plans with children or other family members.

### STEP 5

#### Seek professional assistance

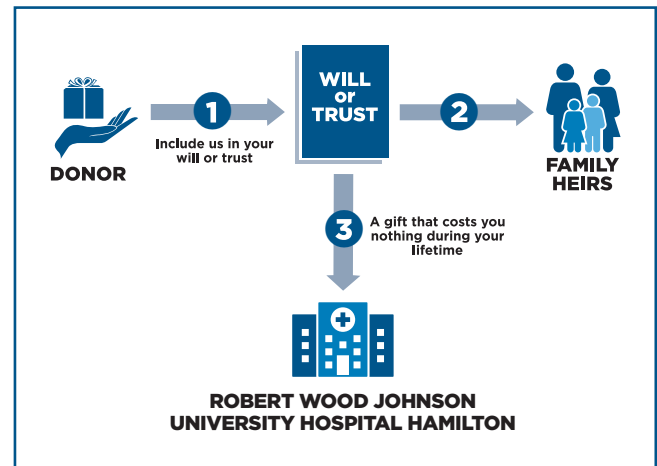
Even if you only need a simple will, it is advisable to seek the help of a qualified attorney and, as needed, other professional advisors. Professional guidance is most often a worthy investment to ensuring a proper plan.

Flip over for more *Strategies* ►

## Impact the Future of Health Care with One Sentence

If you are passionate about health care in our community or perhaps are grateful for the care that you or a loved one received, you may wish to consider including the hospital in your will. Known as a bequest, this forward-thinking gift has several advantages.

- **It's Simple.** Typically all it takes is one sentence in your will or trust.
- **It's Versatile.** You can leave a specific dollar amount, a percentage of your estate, or the remainder of your estate after providing for your loved ones.
- **No Immediate Cost.** Your gift will not affect your current cash flow and always allows you to maintain control of your assets.
- **Specific Impact.** Your gift can be designated to a specific area of interest such as cancer services or cardiology.
- **Flexibility.** You can adjust your gift as circumstances may change.



### Do More with Your IRA

Did you know that your IRA can be a tax-smart way to support your favorite charities today? If 70 1/2 or older, the IRS allows for a qualified charitable distribution (QCD) to charity. This is an ideal scenario for those that are philanthropic, yet may not necessarily need a distribution.

IRA charitable gifts are excluded from gross income for federal income tax purposes and, if 73 or older, transfers can count toward your required minimum distribution for the year in which you made the gift. Using your IRA for charitable purposes may also reduce future tax liability to non-spousal beneficiaries.

**Note:** Transfers must be made directly from a traditional IRA account by your IRA administrator to a qualified charity and there's a \$100,000 limitation.

#### Example

*Charlotte is 73 years old and very grateful for the nurturing care that her husband received. She has \$575,000 in her IRA and authorizes her plan administrator to distribute \$2,000 to the hospital for cancer services. Because the IRA qualified charitable distribution is excluded from income, Charlotte will not be eligible for a charitable income tax deduction — but she still receives tax savings. The \$2,000 distributed to the hospital will be counted toward her required minimum distribution and she will not pay income tax on the portion given to the hospital.*

### Already Have a Will?

A will, even in a basic form, is the most essential part of estate planning. But it doesn't end there.

*Other key points to consider:*

- Do you review your will on an annual basis as circumstances may have changed?
- Does a loved one know where your will, advance directives, and other important documents are kept? Are they in a safe location and well-organized?
- Have you named (and kept up-to-date) the beneficiaries of your retirement account, bank accounts, or insurance policies?
- Have you thought about your virtual accounts at financial institutions, email access, digital storage, or social media accounts? Does a trusted family member have the information?

## Impact together.

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