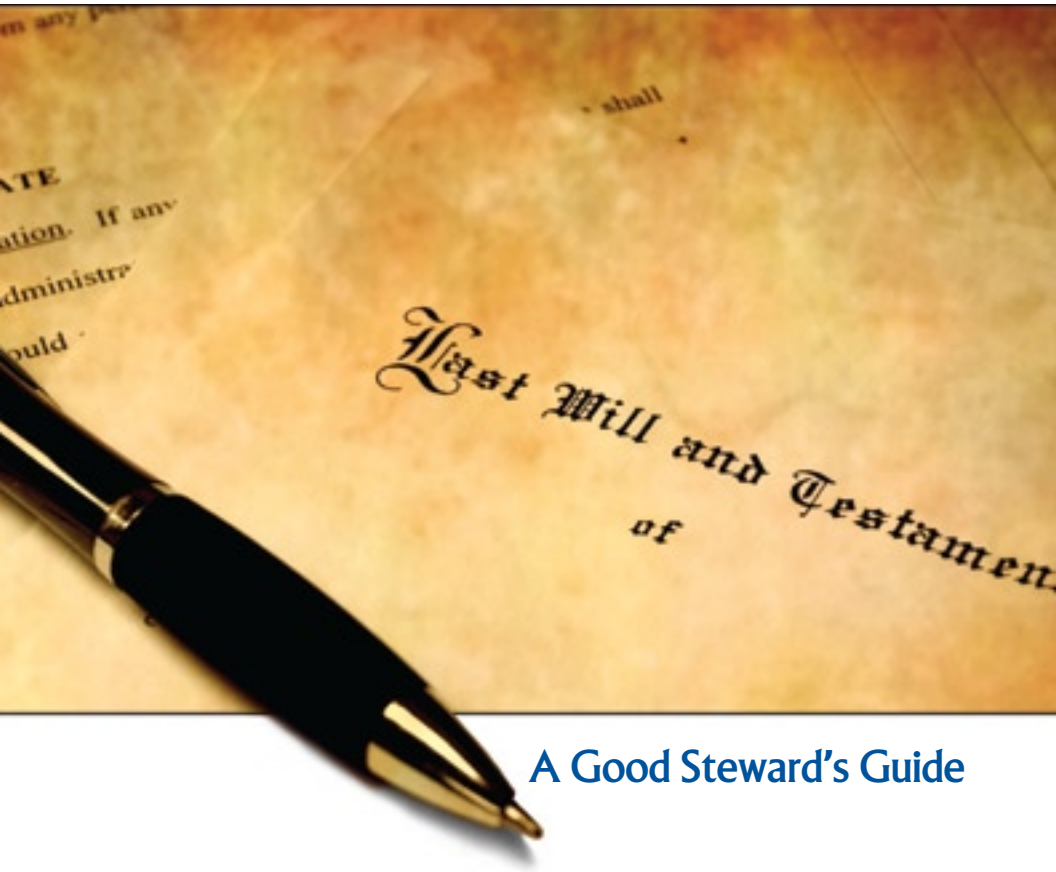
CRS
CATHOLIC RELIEF SERVICES

making your will



A Good Steward's Guide

What you need to know before you see an attorney.

CATHOLIC RELIEF SERVICES

Catholic Relief Services was founded in 1943 by the Catholic Bishops of the United States to assist poor and disadvantaged people overseas. It is the official international relief and development agency of the Catholic community in the United States.

CRS is motivated by the Gospel of Jesus Christ in it's efforts to alleviate human suffering, promote the development of people, and fostering charity and justice in the world. The agency is also committed to educating people in the United States to fulfill their moral responsibilities toward their brothers and sisters in direst need overseas.

CRS helps people solely on the basis of need, regardless of creed, race or national origin.

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This booklet is not intended to provide legal, tax or other advice. We strongly encourage you to consult your own professional counsel.

On Being a Good Steward

Above all, let your love for one another be intense, because love covers a multitude of sins. Be hospitable to one another without complaining. As each one has received a gift, use it to serve one another as good stewards of God's varied grace.

1 Peter 4:8-10

If you have requested this booklet, you are most likely planning to make your first will or to revise and update an older will. In either case, we encourage you to look upon this process in a new light: to see the making of your will not as an unpleasant legal task, something to "get over and done with," but as one of the best opportunities you will ever have to exercise good stewardship.

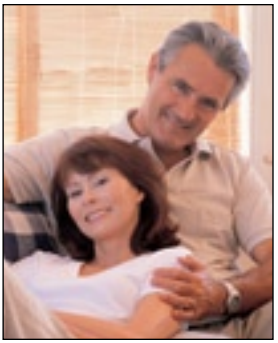
Stewardship is based on the realization that none of us truly "owns" anything. What we think of as ownership is merely a legal notion; in reality, we are more like caretakers or stewards of what this earth has provided—and this, for a limited period of time. By means of a will or other arrangement we can direct all our assets, property and possessions in a way that can do the most good. And this is what

stewardship is about: making the wisest use of what we have both for our own welfare and that of all others.

Creating an estate plan is also a caring and selfless act, as it puts others ahead of ourselves. By making a plan, we spare loved ones the trouble, expense and emotional upset that often results when no plan has been made.

We encourage you to persevere in taking the steps necessary to have your will completed. Although it is not a difficult process, there are many who procrastinate until it is too late. Be assured that when your will or other estate planning instrument is completed, you will have the satisfaction and peace of mind that comes from being a good and faithful steward of God's gifts.

If we can be of assistance, particularly if you would like to make a charitable bequest to Catholic Relief Services, please contact the CRS Planned Giving Department through one of the methods shown on page 33 of this brochure.



The Making of a Will

Why Wills Do Not Get Made

Intestacy refers to dying without a will. We can only speculate as to why many adult Americans die without a valid will. Perhaps the greatest single reason is simple procrastination. There are, however, those who believe they have good reason for not making a will. A few examples illustrate the need to re-examine such beliefs:

"My estate is too small to worry about making a will."

Some people believe they don't need a will because they don't own much. They may think that estate planning is only for the wealthy. Apart from our tendency to underestimate the total value of what we own, the fact is that good stewardship is not about how much we have, but how we make use of it. Each of us has property that is worth something. Even if your property had to be sold, the proceeds could be beneficial to someone or used to help the work of a charity.

Another factor few people consider is unexpected increases in estate value. For example, suppose you die in an accident and your estate receives a huge amount of money as a result of a wrongful death action. Without a

will, there would be no plan for how this money should be distributed.

"The State will take care of distributing my property."

Yes, the State will distribute your property, but it may not be done in the manner you wanted. In some states if you die without a will, leaving a spouse and two children, your property is distributed one-third to your spouse and two-thirds to your children. If you die leaving a spouse and no children, your spouse may have to share your estate with your parents, siblings, nephews and nieces. If you have a child with special needs, or one requiring more financial support than the others, the equal distribution laws will not take this into account.

Also, suppose you want to leave something to a friend, neighbor or charity. The distribution laws will not take these wishes into account.

"My property is in joint ownership so I need not worry about a will."

To rely upon joint ownership instead of a will is hazardous. For example, suppose you have a valuable asset held jointly and there is a common disaster (that is, an accident in which all the holders of the joint ownership become deceased). This results in no predetermined distribution plan.

Or, if you rely upon a joint savings account instead of a will to pass property on to a survivor, what would happen to your survivor if you withdrew money, intending to replace it, and then failed or forgot to replace it?

Joint ownership may work out the way you want, or it may not. Remember, we only get one chance. Why run the unnecessary risk of having your wishes not met?

"I'm too young to worry about a will"

A glance at news reports shows the risk of this type of thinking. It is not uncommon to hear of younger people dying of sudden illness or

by accident. An unmarried person without children may prefer to direct assets to friends, or nieces and nephews, rather than to parents or siblings who would likely receive property under state law. If you have a young child, you will want to name a guardian and provide for your child's support, rather than have a court-appointed guardian.

Although there are multiple reasons for not making a will, the fact is that dying without a plan in place rarely results in property being put to its best use; more often than not, it wastes time and money and maximizes the chance that there will be hurt feelings and family conflicts. One of the best opportunities to exercise good stewardship is forever lost.

The Benefits of Having a Will

Apart from the wise distribution of your property, there are many other important reasons why you should have a will:

- You can name your executor or executrix. Sometimes referred to as a personal representative, this person will manage and settle your estate according to your instructions. He or she will handle all legalities, file taxes, pay bills, and manage your estate until all matters have been settled. If you die without a will, a court will decide who is to manage your estate, and he or she may not be the person you would have chosen. Moreover, if you die without a will, the person selected by the court to manage your estate may have to put up a bond. In a will you can save the expense of a bond by stating that your executor need not furnish one.

- You can choose an individual, bank or trust company specifically experienced to manage and invest your estate.
- You can create trusts for your spouse, children or others. Trusts will protect your estate against loss or dissipation by heirs inexperienced in managing money. Trusts can also save taxes.
- You can name someone to care for your children and determine how their property should be managed.
- You can make gifts to your school, church, hospital, community foundation and worthy charities such as CRS. You can also make gifts to individuals who are not related to you.
- You can take advantage of planning opportunities that may reduce or eliminate estate taxes. If taxes are still payable, you can specify from whose share of the estate they are to be paid.
- You can establish—for tax purposes—the deemed order of death if both you and your spouse should die simultaneously, as a result of a common disaster, or if the order of deaths cannot be established. This can fulfill your wishes for the distribution of your estate and can also save estate taxes.

Does Your Spouse Need a Will?

Even if there is no property in your spouse's name, your spouse should have a will. It is possible that you and your spouse may die in a common disaster. And if you had minor children, who would care for them? With whom would they live? Who would manage their share of your property until they are no longer minors?

Suppose you died first, and your spouse inherited most of your estate. Shortly

thereafter, your spouse died without having time to make a will. The distribution of your estate and the protection of your children and other heirs ought not to be left to chance. You and your spouse can better protect your family when you both have wills.

Can I Make My Will Without a Lawyer?

There are many companies that encourage people to save costs by preparing their own wills. Before reviewing these methods, it is worth noting that most attorney fees are still quite affordable for preparing a will along with health care and financial powers of attorney. Many attorneys offer a free consultation to review your needs and estimate the cost for their services.

Using preprinted forms, computer programs or online resources

These methods of preparing your own will may do the job, but then again, they may not. Much depends on your comfort level in doing your own legal work, your ability to follow instructions carefully and the nature of your estate. A professional should always be consulted for complex estates. Be aware, however, that even simple estates have a way of becoming more complicated on further examination, and you may not remember to consider every aspect of your situation without the directed questions and guidance of an attorney.

If you make your own will using preprinted forms or a computer program, check with your local probate court to see if it is acceptable in your state. Every jurisdiction is different and there are rigid requirements and procedures

to prevent fraud. Why leave the preparation of your will to chance and hope it is sufficient? Remember, you won't have the opportunity to explain what you meant in person.

Handwriting your will

A holographic will is one that is entirely written in your own handwriting, signed and dated. If any part of the will is typed or mechanically printed, it is technically not a holographic will, and will necessitate other requirements for validity. Although some states recognize holographic wills as valid, it is still recommended that you consult an attorney rather than write your own will. Nevertheless, if you live in a state that recognizes holographic wills, such a will is better than no will at all.

I am confident of this, that the one who began a good work among you will bring it to completion.

St Paul to the Phillipians 1:6

What is in Your Estate?

An estate refers to all property, assets and possessions that you own.

Below is a partial list of the types of property that may be in your estate:

- ✓ Cash
- ✓ Tangible personal property (cars, boats, jewelry, furniture, artwork, collections, etc.)
- ✓ Real property (primary home, vacation home, time-share, rental property, etc.)
- ✓ Savings and checking accounts
- ✓ Stocks, bonds, mutual funds
- ✓ Interest and dividends owed to you
- ✓ Life insurance policies
- ✓ No-fault insurance payments due to you
- ✓ The value of pension, profit-sharing or retirement plans
- ✓ Income tax refunds
- ✓ Property over which you have power of appointment
- ✓ Property you own in joint name
- ✓ Closely held businesses
- ✓ Stock options
- ✓ Forgiven debts

At some point in the will-making process, it is beneficial to list all the types of property you own, some of which are easy to overlook. You need not list individual items (e.g., the antique desk, your coin collection) unless you want them to go to specific individuals. Making this list will also help you to distinguish between property that passes through your will (probate property) and that which passes outside your will (non-probate property).

Probate and Non-Probate Property

Two Types of Property

In terms of estate planning, everything that you own falls into one of two categories: probate property or non-probate property.

As the name implies, probate property is that which goes through the court's probate process before it is distributed to your heirs. This is the property that you place in your will and that is distributed according to the terms of the will.

Non-probate property is that which upon your death goes directly and immediately to your beneficiaries (assuming you named them) and avoids the probate process. This is the type of property that you would normally not include in your will.

It is possible to have most or all of your assets in the non-probate category and thus avoid probate; however, most people have a mix of both types as the examples below illustrate.

Probate property includes the following:

- personal property that you own, such as cash, securities, real estate, bank accounts, jewelry, clothes, cars, collections, paintings and furniture

- property that is held by you and/or another owner without rights of survivorship
- property over which you exercise general or limited power of appointment (this is property where you can designate its distribution at the time of your death)
- assets payable to your estate

Non-probate property includes the following:

- assets that are held jointly with the right of survivorship
- proceeds of a life insurance policy or commercial-type annuity
- named beneficiaries of a retirement plan such as an IRA
- named beneficiaries of pay-on-death or transfer-on-death accounts
- property held in a revocable ("living") or irrevocable trust
- charitable gift annuities, pooled income funds, charitable remainder trusts

Periodically review and update the individuals, charities, etc., that you named as beneficiaries of any non-probate property to ensure that your property passes to individuals or organizations according to your wishes.

A Word About Probate

Probate is a court-supervised process to prove the validity of your will and to oversee the payment of debts and the distribution of property to your heirs.

There is a current tendency to exaggerate the unfavorable aspects of probate, while overlooking its possible benefits, such as a shortened period of time for any creditors to make claims against the estate. Some people even make probate avoidance a primary estate-planning goal.

Probate, however, is not usually an unpleasant process. In fact, there are many states that have simplified probate procedures for certain estates. If you are concerned about probate, you may want to ask a lawyer about the procedure in your state; you can also contact the local probate or surrogate court for more information.

Remember that avoidance of probate does not mean avoidance of federal estate tax or state inheritance tax. Whether your property goes through probate or not, generally it will be a part of your taxable estate. Also, probate becomes less of an issue if much of your estate is in the form of non-probate property (see above).

Probate and Privacy

Some individuals have the misconception that once their will is made it is immediately registered in court and open to public scrutiny. The fact is that a will only becomes part of the public record if the will-maker dies and the estate is probated. In many instances, however, probate does not even occur as, for example, where one spouse dies and all property transfers to the surviving spouse.

Before You See an Attorney

In order to do a proper job in drafting a will, your lawyer must know what your assets are and where they are located. You need to supply the lawyer with personal information about you, your family and others whom you wish to inherit part of your estate. Your lawyer's questions are intended to gather the information needed to draw the will that meets your particular needs and desires.

In preparation for your visit to the lawyer and for other related purposes prepare a document that lists all of your personal financial affairs along with an estate inventory. (Some lawyers have an estate planning questionnaire that they ask you to complete prior to your appointment.) This will assist your lawyer in advising you and in drawing your will.

Make copies of the document you prepare and keep one where your family and executor can find it. This will be extremely helpful to your executor in administering your estate. It should also be reviewed and updated periodically.

The checklist below is a guide to preparing this document. You can use it to create a personal and financial inventory, or use the Estate Inventory booklet that accompanied this brochure. Not everything may apply, but include as much information as you reasonably can. If you start now, you can always add to it later as information is gathered or comes to mind.

- ❑ Your legal name.
- ❑ Address of your permanent residence.
- ❑ If you have more than one residence, give the address of each residence, the time you spend in each, where you vote and where you pay income taxes.
- ❑ The date and place of your birth.
- ❑ Your social security number and citizenship.
- ❑ Your spouse's name, social security number and citizenship.
- ❑ The date and place of your marriage and location of your marriage certificate.
- ❑ If you have been married previously, give your deceased or former spouse's name. If your spouse is deceased, show your lawyer his or her will and federal estate tax return, if one was filed, and any gift tax returns filed during his or her lifetime.
- ❑ If you are divorced, give the place of the divorce, whether it was contested and who brought the action. This will enable your lawyer to determine whether your former spouse has any inheritance rights remaining.

- ❑ If separated by agreement or court action, give all the details and where your separation agreement can be found.
- ❑ Show a copy of a prenuptial agreement if you have one.
- ❑ List the names, addresses and ages of your immediate relatives and indicate whether any are legally incompetent or have other special needs.
- ❑ List the names and addresses of others you intend to make your beneficiaries.
- ❑ If you are the beneficiary under a trust or have created a trust, show a copy to your lawyer.
- ❑ Do you have the right to exercise a power of appointment under someone's will or under a trust? Ifso, show your lawyer a copy of the document.
- ❑ Your accountant's name and address.
- ❑ State the place where copies of your income and gift tax returns may be found and the name and address of the person who prepared the returns.
- ❑ Name and address of your employer.
- ❑ Do you have an employment contract, buy-sell agreement or stock purchase plan?
- ❑ Are you entitled to pension, profit-sharing, stock options or any other employment benefits? How are the benefits paid upon your death?
- ❑ List life insurance policies owned by you on your life; policies owned by others on your life; and policies owned by you on

lives of others. Also list annuity policies owned by you. Include the name and address of each company, the policy number, the principal amount of the policy, the beneficiaries, and whether loans were made on any of the policies.

- ❑ Do you own any real estate? List the approximate present value of the real estate, your cost basis,any mortgages on the property, and whether you own the property by yourself or as co-owner with another.
- ❑ List your other assets, along with the approximate value of each, its cost basis and holding period. Include all property you own and debts owed to you. Include all property owned jointly, as tenant by the entirety, as a tenant in common and as community property.
- ❑ Give the approximate amount of your debts, stating names and addresses of people to whom you are indebted and the basis for the liability.
- ❑ Make a list of the names and addresses of those you wish to be your executors, trustees and guardians.

God destined the earth and all it contains for all people and nations so that all created things would be shared fairly by all humankind under the guidance of justice tempered by charity.

Gaudium et Spes
Second Vatican Council

Living Trusts and Probate Alternatives

In addition to making a will, some people create a revocable living trust. A revocable living trust is a legal entity that holds title (ownership) to whatever property you place in the trust. It allows you complete control over the property while you are living and, just like a will, distributes your property at death. Although a living trust can be beneficial in some circumstances, it is not suitable for everyone nor is it always required for a good estate plan.

Whether a living trust is a wise choice for you depends on several factors: your age, marital status, personal wealth, complexity of your estate, the type of assets owned, and the lack of other probate alternatives. If you wish to consider this trust, look at it realistically and weigh the pros and cons, some of which are listed below:

Some Advantages of a Living Trust

- It ensures greater privacy since the trust is not part of the public record
- It is a way to consolidate many financial accounts which is also beneficial if you own property in other states

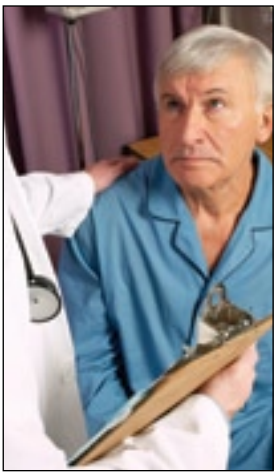
- It allows you to name someone to manage your property while you are living
- It allows you to maintain control over the property in the trust; you can revoke or change any of the terms of the trust at any time
- It can benefit individuals who can no longer manage their own finances
- It can manage assets for you or your children if you become incapacitated
- It is more difficult to challenge than a will

Some Disadvantages of a Living Trust

- It is more costly to prepare than a will (and you still need a will)
- You incur the cost and inconvenience of changing ownership of all property held in the trust
- It will likely be necessary to hire a lawyer to help administer the trust after death
- Property in the trust is still subject to taxation
- It does not protect your assets from creditors as well as a will does
- It does not entirely eliminate delays in distributing your assets
- Some states have simplified their probate process, lessening the value of the trust
- Non-probate type assets avoid probate without a living trust

If your lawyer suggests a living revocable trust, ask him or her to explain both its benefits and its drawbacks. In the end, you must decide if it should be a part of your plan.

Complements to Your Will



Most lawyers who provide estate planning services can help you prepare two other important documents: the living will and a power of attorney. Ask your lawyer about these documents when your will is being prepared.

The Living Will or Advance Directive

A living will (not to be confused with a living trust, above) is a document that conveys how you want to be treated if you become seriously ill and can no longer communicate your wishes. In your living will, you state the extent to which you want to receive life-sustaining treatment. This document can serve to guide medical or nursing home staff, as well as your health care agent (see below) if you appoint one.

Apart from the quality-of-life issue and the extent to which you want life-sustaining measures, there is also the issue of stewardship and the use of resources. Suppose, for example, that your entire life savings were being used up to keep you alive in a manner you would never have approved. With advancements in

technology, such practices will become more common, and all the more reason to consider a living will.

An advance directive or living will for your state can usually be obtained from your attorney, physician or local hospital, or online.

Durable Power of Attorney

The term "power of attorney" refers to a legal document that gives another person the power to act on your behalf generally in financial and health care matters. It is a document that every adult should have, and can be created at the time your will is prepared.

There are several varieties of powers of attorney; some have limited applications whereas others are general in nature. All powers of attorney terminate at the time of your death.

Unless you have special circumstances, most people benefit from what is known as a durable power of attorney. This allows you to appoint an agent to act on your behalf, particularly if you become incapacitated or incompetent.

If you desire, you can designate one person to handle your day-to-day financial matters (Durable Power of Attorney for Finances) and another person to handle health care matters (Durable Power of Attorney for Health Care or Health Care Agent); ideally the same person can handle both. Remember, the power goes into effect only if and when you are unable to handle these matters for yourself.

Prior to your meeting with an attorney, you should be able to answer these questions:

- Do I know the extent to which I want to be treated medically if I become incapacitated?
- Whom would I appoint to make medical decisions for me?
- Whom would I appoint to make financial decisions for me?
- Do I have a backup if these people cannot act in that capacity?

Bequests in Your Will

If you have charitable intent and want to help a specific work that is meaningful to you, there will surely be a way to remember it in your will. Bequests are highly flexible in that there are ways to remember a charity in your will while still fully satisfying all bequests to individual heirs. If you name charities in your will, trust, or as a beneficiary of another plan, please let them know of your intentions.

On the next page is a summary of the different ways a bequest can be made to an individual or charity. (Although we used Catholic Relief Services in our examples, the same format applies to other individuals or organizations.)

If anyone is well off in worldly possessions and sees his brother in need but closes his heart to him, how can the love of God be remaining in him? Children, our love must be not just words or mere talk but something active and genuine.

1 John 3: 17-18

Specific Bequests

Specific Bequests are those in which you name a specific item such as a piece of antique furniture, 100 shares of ABC stock, a specific savings account, etc. Specific bequests are always satisfied first.

Sample Wording

I bequeath my 1st National Bank Savings Account #012345 to Catholic Relief Services-USCCB, located at 228 West Lexington Street, Baltimore, Maryland 21201-3443 (Tax ID 13-5563422), to be used for its general purposes.

General Bequests

General Bequests are the type with which we are most familiar. Generally this refers to your bequest of a specific dollar amount in your will. This type of bequest is almost always satisfied. We say "almost" because sufficient funds must remain in the estate after all debts have been paid.

Sample Wording

I bequeath the sum of $10,000.00 in cash to Catholic Relief Services-USCCB, located at 228 West Lexington Street, Baltimore, Maryland 21201-3443 (Tax ID 13-5563422), to be used for its general purposes.

Residual Bequests

Residual Bequests allow you to provide for family and friends first and then leave any remainder in your estate to a named beneficiary. The individual or charity receives the residual distribution only after all other bequests have been fully satisfied.

Sample Wording

I bequeath all (or any percentage) of the rest, residue and remainder of my estate to Catholic Relief Services, located at 228 West Lexington Street, Baltimore, Maryland 21201-3443 (Tax ID 13-5563422), to be used for its general purposes.

Contingent Bequests

Contingent Bequests take effect only if your original bequest intention cannot be met. This most commonly occurs when the person originally named in the will dies before the person who created the will.

Sample Wording

If any of the above beneficiaries should predecease me, I hereby bequeath his or her share to Catholic Relief Services-USCCB, located at 228 West Lexington Street, Baltimore, Maryland 21201-3443 (Tax ID 13-5563422), to be used for its general purposes.

Tax Deductibility of Charitable Bequests

Apart from the good works that your bequest will perpetuate, a charitable bequest can serve to reduce or eliminate federal estate and/or state inheritance taxes. There is no limit on the amount you can leave to charity through your will. However, since there are differences in each state, your lawyer can advise you whether there is a limit on the amount that can be deductible for purposes of your state's inheritance tax.

Who Will Manage Your Estate

Choosing an Executor

The choice of an executor, who will manage and settle your estate, is an important decision. Your executor should be a person in whom you have confidence and who has the capability to do what you would like to have done.

Ask your intended executor whether he or she will accept the responsibilities. In many cases you can save an executor's fee by naming your spouse or an adult child as executor. Name an alternate, however, to act in case your designated executor dies, refuses or fails to qualify. If your designated executor does not act for any reason and you fail to name an alternate, your estate will be administered by a person chosen by the court. Usually, your closest relative will be chosen, though you may not have wanted it that way. Don't leave the management of your estate to chance when it is easy to designate an alternate executor in your will.

Consider naming an executor who lives near to you. In fact, some states require that an executor be a resident in the state of the deceased in order to avoid the executor paying a bond.

Rather than choosing a person who may not have financial management or investment experience, consider naming a bank or trust company as executor, especially if your estate is sizable.

You can also name co-executors: an individual and a bank or trust company to act jointly. Your lawyer will advise you on selecting executors, and how many you should have.

Choosing a Trustee

If you establish a trust in your will, then a trustee will need to be named. The trustee receives assets from your executor and holds them in trust under the terms of the will. The trustee will pay the trust income (and principal, if authorized) to the beneficiaries, and upon the termination of the trust will pay the assets to the person or charity designated in your will. One of the trustee's duties is to preserve and manage the trust property.

If you set up a small family trust, you might name a member of your family as trustee in order to save trustee's fees. Do so only if the investments are simple or because your family member has investment experience and ability. It is often best to name a disinterested expert, such as a trust company or bank. Sometimes trusts last many years. A corporate trustee such as a bank furnishes continuity of management. Also, tax reasons may exist for having someone other than a family member serve as trustee.

If the trust grants the trustee sole discretion to lend money to heirs, pay out principal for important purposes, etc., then it is often wise to appoint an individual as trustee. A member of your family or a close friend who knows your wishes might be selected to act as co-trustee

with the bank or trust company. When naming executors, provide for alternates, because the trustee you designate may die, refuse or fail to qualify.

Choosing Guardians for Minors

You can appoint two types of guardians under your will: a guardian of the person and a guardian of the property.

In selecting who will be a guardian of your child should both you and your spouse die, choose the person best qualified to act as a parent to your child. However, for a guardian of a minor's property, appoint a person who will conserve and wisely manage the property. The same rules apply in selecting a guardian of the property as in choosing a trustee.

Witnesses to Your Will

Your will must be signed and witnessed to conform to the law in your state. Your lawyer will see that the legal formalities are observed.

A beneficiary named in your will should never be a witness. If his or her signature is necessary to prove the will, your intended beneficiary may be partially or totally disinherited.

After You Make Your Will

Where to Keep Your Will

Your will should be kept in a safe place where it is easily accessible to your family and executor. *Be sure to tell them where it can be located!* Many wills have never been found or have not been found until years after the property has been distributed under the laws of intestacy that are applied when a person dies without a will.

If you want to keep it in your safe deposit box be aware that some states make immediate access difficult since the box would be sealed upon your death. This may apply even if you hold the box jointly with another. Your executor would then have to get court permission to open the box to find your will.

Some people give a copy of the will to their executor. If your lawyer keeps a copy, make sure your family and executor will know where to find the lawyer's name, address and phone number.

Make Your Executor's Job Easier

Don't make it difficult for your executor to find your assets. Keep a document that lists all your personal property, debts, records, etc. and their location with your important papers where your executor can find it. Review this document periodically and make appropriate changes. A checklist for preparing this document is on page 14 of this booklet, or use our Estate Inventory booklet as a guide.

How to Change Your Will

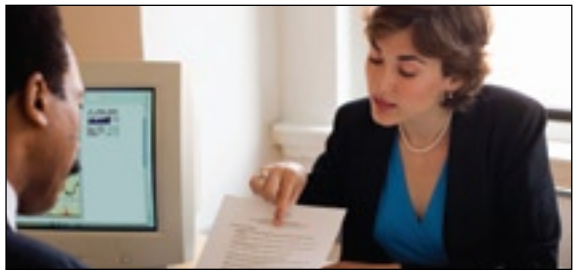
You may change your will at any time. It can be changed by executing a new will (recommended if there are many changes) or adding a *codicil*, which is an amendment or addition to an existing will. See an attorney if any changes are required. You cannot change your will by merely scratching out or erasing the name of a beneficiary and writing in a new one. If this is done, the change may not be effective and you may have invalidated the entire will. Lawsuits may also result. Note that a codicil must adhere to the same legal requirements as the original will in terms of how it is written and the required witnesses.

Review your will as time passes. It should be changed if new circumstances dictate a different disposition of your property. The world is not static: People are born, others die; your wealth may increase or decrease; your interests and preferences may change. Since changes in the federal estate and gift tax laws are frequent, it is advisable to review your will and estate plan whenever you learn that Congress has revised the tax laws or the IRS has issued new rulings.

Community Property States

Community property is another form of property ownership. Community property includes property acquired by the husband or wife during marriage. The income from the property is also community property.

Generally, community property does not include property belonging to either spouse before marriage, or property acquired after marriage by gift or inheritance. This is known as "separate property" although it is possible that such property may intentionally or inadvertently be converted to community property. The laws of community property vary among the states in many ways. Your lawyer can advise you about the law in your state.



Tax Laws

This booklet cannot address the ramifications of federal and state tax laws. You should be aware, however, that we are in a time period where tax laws related to estate planning are in a state of flux. We suggest that you discuss with your attorney, and your tax accountant, how these changes may affect your financial planning and your estate plan. Distortions to an estate plan and your financial planning can result if federal estate tax exemptions or state inheritance taxes are not taken into account. Your estate plan should also be reviewed (but not necessarily changed) whenever there are major tax-law changes. Changes in your financial and personal circumstances are also reasons for an estate plan review.

Summary and Check List

Here is both a summary of key ideas found in this booklet as well as a checklist to help you prepare to have your will drafted.

- ❑ Do I have a document that contains my personal financial affairs? (see page 13)
- ❑ Can this document be easily located by my family?
- ❑ Do I have a list of those I wish to inherit my property? (see page 22)
- ❑ Are there charitable organizations I wish to remember? (see page 22)
- ❑ Who will handle my legal or financial matters if I cannot do so? (see page 19)
- ❑ Who will make medical decisions for me if I cannot do so? (see page 19)
- ❑ Do I know to what extent I wish to have life-sustaining medical treatment? (see page 19)
- ❑ Do I need a living trust? (see pages 17 and 18)
- ❑ Have I chosen an executor to handle my estate? (see page 25)
- ❑ Have I chosen a guardian for minor children? (see page 27)

Remembering Catholic Relief Services in Your Will or Trust

CRS is exempt from federal income tax and is classified as a 501(c)(3) organization.

The agency's name and address for use in a will, trust or other instrument of transfer is:

Catholic Relief Services-USCCB
228 West Lexington Street
Baltimore, Maryland 21201-3443

Our Federal Tax identification number is 13-5563422.

Also, see page 23 for sample bequest wording.

If you have any questions about making a bequest to CRS, or any other charitable legacy arrangement please contact our Planned Giving Department as shown below:

✉ CRS Planned Giving Department
228 West Lexington Street
Baltimore, MD 21201-3443

☎ 1-888-277-7575

plannedgiving@crs.org

A Final Note To Our Friends And Benefactors

Since a bequest is often the single largest gift that an individual can make, the significance of such a gift to the work of Catholic Relief Services cannot be overstated. One bequest alone can affect generations and transform the lives of poor individuals and communities.

We hope that as you prepare your will or your overall estate plan, you will thoughtfully consider remembering the work of Catholic Relief Services. Since 1943, the agency has worked with millions of the world's most disadvantaged and impoverished people to help them create better lives. Your bequest allows this work to continue and becomes part of your legacy of leaving the world a better place.

If you have named Catholic Relief Services in your will or trust, or as a designated beneficiary, please let us know. Your gift remains strictly confidential, but we would like to include your name in our Legacy Circle as well as to thank you on behalf of those who will be helped by your gift. Be assured that your long-term commitment to this work is truly valued.

Notes:

Notes:

This booklet is not intended to provide legal, tax or other advice. We strongly encourage you to consult your own professional counsel.

CATHOLIC RELIEF SERVICES

Planned Giving Department,
228 West Lexington Street, Baltimore, MD 21201-3443
1-888-277-7575 • plannedgiving@crs.org
www.crs.org

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