

## Wills Planner Glossary

<b>Accidental Disinheritance</b>	An accidental disinheritance occurs if you either have no will or the will doesn't function properly.
<b>Annual Exclusion</b>	That amount exempts total gifts to any one individual for a taxable year.
<b>Annuity</b>	An annuity is a tax-deferred savings vehicle that provides you with periodic payments in accordance with an established schedule.
<b>Bequest</b>	A gift made at your death. A bequest may be cash, personal property, a percentage share or residue of your estate.
<b>Charitable Endowment</b>	A charitable endowment is a fund to which your cash or property may be donated. An endowment is administered by a charitable institution that is obligated to follow guidelines for fund management and distributions.
<b>Charitable Gift Annuity</b>	A charitable arrangement where you make a gift of cash or property to a charity in return for the charity's promise to pay you fixed income for life at a rate based on your age. You receive a charitable tax deduction in the year of your gift and current or deferred income depending on the type of gift selected.
<b>Charitable Remainder Trust</b>	A charitable arrangement where you make a gift of cash or property to fund a trust that pays you income for life with the remainder going to charity. You receive a charitable tax deduction for the present value of your gift to charity.
<b>Codicil</b>	To change your will, your attorney will prepare a codicil which is an amendment to your will. A codicil must be signed and witnessed following the same formalities that were used in the initial signing of the will or living trust.
<b>Community Property</b>	Community property is a system of ownership that applies to all property acquired during your marriage. Each spouse is presumed to own an undivided one-half interest in community property and may will their half interest at death. Upon divorce, community property is generally divided equally at the discretion of the state.
<b>Conservator</b>	If you die without a will and leave property to minor children, the court will appoint a conservator for your estate unless you establish a trust for

	your children. A conservatorship ends at age 18 for each child and the child receives what is left in a lump sum.
<b>Custodian</b>	The individual or institution designated to hold and safeguard your assets. A custodian is often utilized in administering personal accounts.
<b>Deceased</b>	Passed away.
<b>Dependent</b>	A dependent is a person such as a minor child that is dependent upon you as their primary source of financial support.
<b>Devise</b>	Usually refers to a bequest of real property. See Bequest.
<b>Donor Advised Fund</b>	A charitable fund where you contribute cash or property for which you receive a current charitable tax deduction. You have the ability to recommend that funds be distributed each year to the charities of your choice.
<b>Durable Power of Attorney for Finances</b>	If you are no longer able to manage your property or later wish to have someone else manage your property, the durable power of attorney will give the person you select the legal authority to buy, sell and manage your property.
<b>Durable Power of Attorney for Healthcare</b>	This document allows for you to select a person who can assist your doctors in making healthcare decisions while you may be incapacitated.
<b>Estate Administrator</b>	Unless you appoint an executor, the probate court will appoint an administrator to distribute your property and settle your estate. An administrator often requires the posting of a bond and expensive reporting requirements.
<b>Estate Tax Exemption</b>	The amount that is exempt from federal estate tax at your death. Note that any amount of your gift exemption used during your lifetime must be subtracted out to determine the estate tax exemption remaining at your death.
<b>Executor</b>	The executor of your estate (also called personal representative) is the person who will take care of all business matters and distribute your property as instructed by you in your will. An executor's duties include collecting and inventorying estate assets, paying debts, taxes and estate administration expenses (court costs, attorney fees, appraisals,

	accounting fees, etc.), and then distributing the remaining assets to the beneficiaries named in the will.
<b>Gift Exemption</b>	The amount that is exempt during your lifetime from federal gift tax over and above the annual exclusion amount.
<b>Give it Twice Trust</b>	The Give it Twice Trust is a charitable remainder unitrust that pays 5% each year to children for 20 years and leaves trust corpus to charity.
<b>Guardian</b>	Your guardian is the person(s) you appoint to care for your children if you pass away and your children are still legal minors.
<b>Guardian for Minor Children</b>	If you have minor children (under age 18, in most states), a guardian should be named in your will. The guardian is the person(s) who will have actual physical custody of your minor children.
<b>Healthcare Directive</b>	There are two general types of healthcare directives -- a durable power of attorney for healthcare and a living will. In some states, they are combined into one document called an advanced directive.
<b>Inheritance</b>	Property that passes to you upon the death of another.
<b>Intestacy</b>	The condition of an estate when you die without a will. Your property passes in accordance with the state statute.
<b>Joint Tenancy</b>	Joint tenancy is a system of ownership in which co-owners have a right of survivorship. This means that if you own property in joint tenancy and pass away, your interest in the property will pass to the surviving owners. This form of ownership is common between married persons and parents who desire to pass on property automatically to children upon their death.
<b>Legal Adoption</b>	The act of making someone a member of your family by following the legal requirements to change their birth certificate and adopt them as one of your own children.
<b>Legal Name</b>	The name that has been given to you or legally adopted by you that appears on your birth certificate and is used by you on legal documents.
<b>Life Insurance</b>	A contract where you agree to pay premiums or cash amounts in return for a promise to pay your beneficiaries a lump sum upon your death, terminal or critical illness.

<b>Living Trust</b>	A living trust is a trust that you set up during life to direct where your assets go without subjecting your estate to probate.
<b>Living Will</b>	A living will covers the time before your probable death. It gives you the opportunity to offer recommendations to medical staff about the types of care to be provided to you at that time.
<b>Minor</b>	Your child is considered a minor in most states until he or she reaches age 18.
<b>Non Probate Assets</b>	Certain assets pass outside of the will. For example, assets owned jointly by two persons with rights of survivorship will pass directly to the surviving owner. Life insurance, IRAs and pension plan proceeds go directly to the designated beneficiary.
<b>Personal Property</b>	Any tangible property you own that is not real property including but not limited to jewelry, china, furniture, collections, art and other personal items that are movable.
<b>Personal Representative</b>	See Executor
<b>Personal Residence</b>	Your personal residence is any residence where you live.
<b>POD</b>	Payable at Death designation that passes your assets to your designated beneficiary without probate.
<b>Prenuptial Agreement</b>	A prenuptial agreement is an agreement you enter into prior to marriage to determine how your property will be divided should you divorce or pass away.
<b>Primary Residence</b>	Your primary residence is your principal residence for purposes of income taxes and acquiring a mortgage.
<b>Probate</b>	Probate is the court-supervised legal procedure that determines the validity of your will. The probate judge services the gathering and inventory of your estate assets, payment of debts, taxes and administrative costs and the distribution of your remaining assets to your beneficiaries (if you have a will) or, if not, to your next of kin as determined by state law.

<b>Real Property</b>	Generally refers to real estate, land and or improvements on land. Not movable personal property.
<b>Residue</b>	The remainder of your estate after all other devises have been made. The residue may be devised through an estate plan.
<b>Revocable Trust</b>	See Living Trust.
<b>Safety Deposit Box</b>	Often located in a bank or post office, a safety deposit box is a box that you maintain to hold your valuables including your will or trust.
<b>Separate Property</b>	Your property owned prior to marriage, acquired by gift or inheritance where ownership rights have not been transferred to another under state law.
<b>Special Needs</b>	Children have special needs if they need special assistance to care for themselves or are rendered unable to care for themselves due to a physical or mental impairment. Examples include children with Down Syndrome, autism and varying degrees of mental retardation.
<b>Special Needs Trust</b>	A Special Needs Trust facilitates for a child with special needs by providing resources and directions for their care. In some cases, a child may qualify to receive federal or state benefits if that is helpful in providing care for the special needs child.
<b>Successor Trustee</b>	The person selected to manage the property in your trust if the original trustee is unable to act on your behalf due to death or incapacity.
<b>Tangible Property</b>	See Personal Property.
<b>Tenancy in Common</b>	Tenancy in common is a system ownership where co-owners own separate but distinct shares of the same property. This form of ownership is more common when you are not married or have contributed a portion of the funds to purchase or acquire property.
<b>TOD</b>	Transfer on Death designation that passes your assets to your designated beneficiary without probate.
<b>Trust Principal</b>	The original trust amount upon which interest is calculated.
<b>Trustee</b>	The person selected to hold and manage your property held in trust on

	behalf of your designated beneficiaries. A trustee has fiduciary responsibility and liability to use trust assets in accordance with trust terms.
<b>Will</b>	A will is a written document that permits you to state how you want your property (estate) distributed, name an Executor (also called a Personal Representative) to distribute your property, pay debts and taxes and handle other business affairs to settle your estate.
<b>Will Contest</b>	If a disgruntled relative seeks to have a will declared invalid by filing a lawsuit, a will contest occurs. Some of the reasons that wills are contested include: claims that you were not of sound mind when you created the will, that you did not understand what you were doing, or that you were under coercion or undue influence.