

# My Estate Planning Tool Kit



**Nine Stories to Guide Your Estate Planning Strategy  
And Useful Forms You Can Adapt to Your Personal Needs**

**A Custom Edition for the Devotees of the Hindu Association of West Texas**

Aloha, Namaste and thank you for requesting Hindu Heritage Endowment's Estate Planning Tool Toolkit for devotees of the Hindu Association of West Texas. You will feel a great sense of satisfaction and relief when your Will and/or Trust is completed. This toolkit will help you take the first steps toward that goal. It includes:

- **Basic estate planning information from the American Bar Association**
- **An Estate Planning Inventory Form to organize information before you visit your attorney**
- **Values Planning: Questions to Ask before You Plan Your Estate**
- **How to Remember in Your Will the Hindu Association of West Texas Endowment, fund #80 of Hindu Heritage Endowment**

This toolkit also offers a practical guide to many non-legal issues including your wishes regarding final arrangements, and a list of where important documents are kept. The Hindu Heritage Endowment wants you and all its donors to have effective estate plans: Wills and/or Trusts that are properly worded, signed, witnessed, and not contradicted by other binding arrangements you may have made and practical instructions from you that will help your family get through a difficult time.

Effective estate planning usually takes time, effort and a good attorney. But in the end your plan will allow your family to avoid the delay, dissension and needless expense that often occurs when a loved one dies without a Will.

Once you have taken care of your family's needs, please consider a thoughtful bequest to fund #80 of the Hindu Heritage Endowment. Your gift allows you to help preserve the rich heritage of Hindu thought, practice and culture for future generations.

**If you have any questions about the enclosed, please call our planned giving specialist Phil Murphy at (415) 457-7482**

**MISSION STATEMENT:** Hindu Heritage Endowment is a publicly supported, charitable organization recognized as tax exempt by the IRS on April 22, 1994. Employer ID 99-0308924. Founded by Satguru Sivaya Subramuniyaswami, its philanthropic mission is to provide secure, professionally managed financial support for institutions and religious leaders of all lineages of Sanatana Dharma.

**PROFESSIONAL ADVISORS:** Halbert, Hargrove/Russell, Investment Counsel; and Sonoda & Isara, LLP, CPA; Phil Murphy, Planned Giving Specialist. HHE is a member of the Council on Foundations, an association of more than 2,000 foundations which interprets relevant law and management and investment principles, and of the National Committee on Planned Giving, the voice and professional resource for the gift planning community.

For information on estate-planning tools, contact Swami Shanmuganatha at 808-822-3012 extension 244.



**HINDU HERITAGE ENDOWMENT**

KAUAI'S HINDU MONASTERY, 107 Kaholalele Road, Kapaa, Hawaii, 96746-9304 USA  
808-822-3012 ext 244 • fax: 808-822-3152 • [hhe@hindu.org](mailto:hhe@hindu.org) • [www.hheonline.org](http://www.hheonline.org)

## ESTATE INVENTORY FORM

This form is not as bad as it looks, and it could save you and your attorney valuable time. By filling out this form and bringing it to your first appointment, you will be providing your attorney with much of the information needed to draft an estate plan.

We may spend many hours planning a small trip of a few days, deciding what to wear, what gifts we will take, planning out travel schedules and so on, but how many of us have formulated a careful plan for our final journey, the greatest one of all?

Depending upon the laws in your country, it is wise to seek proper legal advice in creating your will and keeping it current. However, even before you seek professional advice, you can save time and money by thinking through the basics of your will. A good approach is to write down the four P's of estate planning:

- **Persons.** who are the people and charitable interests for whom you would like to provide?
- **Property.** List all of your property, in whatever form, along with its cost and today's value. This includes personal property, such as stocks, bonds, automobiles and jewelry, as well as land and homes.
- **Plans.** Consider how you would like to "match" your property with the persons in your life.
- **Planners.** List all professional advisors who can assist you in making your plans a reality.

1. Name \_\_\_\_\_

Address \_\_\_\_\_  
\_\_\_\_\_

Phone (Work) \_\_\_\_\_ (Home) \_\_\_\_\_

Place and Date of Birth \_\_\_\_\_

Social Security Number \_\_\_\_\_ U.S. Citizen? \_\_\_\_

Single?  Married?  Widowed?  Separated?  Divorced?

2. Spouse \_\_\_\_\_

Place and Date of Birth \_\_\_\_\_

Social Security Number \_\_\_\_\_ U.S. Citizen? \_\_\_\_\_

3. Children	Age	Address
(A)	_____	_____
(B)	_____	_____
(C)	_____	_____
(D)	_____	_____
(E)	_____	_____

4. Grandchildren	Age	Parent
(1)	_____	_____
(2)	_____	_____
(3)	_____	_____
(4)	_____	_____
(5)	_____	_____
(6)	_____	_____
(7)	_____	_____
(8)	_____	_____
(9)	_____	_____
(10)	_____	_____

(11) \_\_\_\_\_

(12) \_\_\_\_\_

(13) \_\_\_\_\_

(14) \_\_\_\_\_

(15) \_\_\_\_\_

The following is meant to give your attorney a good idea of the total value of your estate. Knowing your total worth is important to determine the type of estate plan that will keep your estate tax as low as possible.

5. REAL ESTATE INFORMATION

Description and location	Market Value	Debt
_____	\$ _____	\$ _____
_____	\$ _____	\$ _____
_____	\$ _____	\$ _____
_____	\$ _____	\$ _____
_____	\$ _____	\$ _____

TOTAL: \$ \_\_\_\_\_

(Total value of real estate = market value less debt)

6. PERSONAL PROPERTY Please list approximate current value:

Automobile(s) \$ \_\_\_\_\_

Savings and Checking Accounts \$ \_\_\_\_\_

Stocks/Bonds \$ \_\_\_\_\_

Household Furnishings \$ \_\_\_\_\_

Other Personal Assets \$ \_\_\_\_\_

7. Death Benefits from Insurance \$ \_\_\_\_\_

8. Expected inheritance \$ \_\_\_\_\_

9. TOTAL VALUE OF ESTATE: \$ \_\_\_\_\_

(Add all of the above, including total real estate value)

10. Name of Bank(s) \_\_\_\_\_

11. Names of stocks, bonds and other investment: \_\_\_\_\_

\_\_\_\_\_

12. Executor \_\_\_\_\_ Alternate \_\_\_\_\_

13. Funeral Arrangements \_\_\_\_\_

\_\_\_\_\_

14. BENEFICIARY INFORMATION:

Names of Persons or Charitable Organizations

1. \_\_\_\_\_

2. \_\_\_\_\_

3. \_\_\_\_\_

4. \_\_\_\_\_

5. \_\_\_\_\_

6. \_\_\_\_\_

7. \_\_\_\_\_

8. \_\_\_\_\_
9. \_\_\_\_\_
10. \_\_\_\_\_
11. \_\_\_\_\_
12. \_\_\_\_\_

## **Values Planning**

### Questions to Ask before You Plan Your Estate

1. How do you want to be remembered? By whom?
2. What kind of legacy do you want to leave for your children?
3. How much?
4. How do you want your children to use this legacy?
5. Do you have a plan to achieve your goals for your children?
6. Are your children trained in handling the wealth you intend to leave them? If not, you can begin the process by providing the opportunity for them to learn these skills by using a charitable fund or family investment partnership.
7. What values would you like to pass to your children?
8. What would your children say your values are?
9. What causes do you support?
10. Would you like the activities you support to continue after your death?
11. Are there other causes you would like to support?

## Records of Personal Information

At the time of a person's sudden illness or death, family members or friends are often faced with the need for certain information. It is extremely helpful for them to have access to a record of insurance papers, marriage and birth certificates, bank account numbers, investments, etc.

For married couples, each spouse should compile separate information and prepare separate documents, although many of the materials will be the same.

This booklet can help you make decisions about what is to happen to your assets and your corporal self at the time of incapacitation or death. It also provides a place to make and keep a record of the information others would need. It is important to keep it up to date and in a place known by at least one other family member or a close friend. Review the information periodically, preferably with the person(s) who must use the information. We suggest that you make one or more copies of the information sheets after completing them. Keep one copy with important papers and put others in sealed envelopes and give them to trusted persons. Instructions are not legally binding, but show the intent of the person signing the form as of the date signed.

### To Whomever Takes Responsibility for Final Arrangements

In calm recognition of the inevitable, I have given thought to my personal wishes concerning my final arrangements. I feel that the effort I have made to pull information together and state my wishes will minimize the emotional strain on my survivors. I do not wish them to be burdened by the great pressures of having to make immediate decisions on unfamiliar matters that inescapably must be made if I do not make them now.

Difficult though it may be for me to set this down, I feel that my loved ones would find it more difficult to make the decisions with no indication of my specific wishes. Though these wishes may not be legally binding, I trust that they will help my survivors avoid confusion, extra expense, or the least self-reproach that might arise because of doubts, omissions, or commissions.

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Signature

Date

### Final Farewell

I intend the rituals following my death to reflect my life, loves, and values.

(It is suggested that you fill out the following in consultation with the Temple leaders, providing a copy of these instructions for their files.)

Circumstances permitting, I wish my funeral service to take place at:

Location \_\_\_\_\_

Address \_\_\_\_\_ City/ZIP \_\_\_\_\_

Officiator \_\_\_\_\_

My second choice would be: \_\_\_\_\_

If you wish a traditional ceremony used, specify the nature of the ceremony:

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If possible, I would like to have the following readings:

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Policy regarding acceptance of flowers within religious buildings vary. Instead of sending flowers, many prefer to encourage a more lasting memorial. Most religious groups have both a general memorial fund and a building fund, as do many charities. Memorial gifts may also be made to the Hindu Heritage Endowment. (If you so desire, please indicate where you would like to have such contributions made:)

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I prefer to be:

Cremated

Before or  after the funeral

Disposal of Ashes

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Buried

Location of cemetery lot deed, crypt deed:

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I have made arrangements to have certain parts or all of my body donated to:

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Funeral Home to use: \_\_\_\_\_

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Coffin specifications:  Least expensive  Mid-range  Elaborate

I \_\_\_ do / \_\_\_ do not wish to have my coffin open at the funeral home.

Other information for my survivors such as orders to cancel bills and subscriptions, contacting credit card companies and the location of audio or video messages:

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Signature \_\_\_\_\_ Date \_\_\_\_\_

### Information for My Friends and Family

Final Directions and instructions upon the death of:

\_\_\_\_\_

Name \_\_\_\_\_ Date \_\_\_\_\_

(File this information where it will be found easily upon your death. It is suggested that you also file this with your religious organization, if any, and/or your attorney, and notify your heirs that the form has been completed for their information.)

Name (Complete) \_\_\_\_\_

Address: \_\_\_\_\_

Birth Date: \_\_\_\_\_ Place of Birth: \_\_\_\_\_

Spouse's Name: \_\_\_\_\_

Spouse's Address: \_\_\_\_\_

Spouse's Birth Date: \_\_\_\_\_ Spouse's Place of Birth: \_\_\_\_\_

Religious Affiliation: \_\_\_\_\_

Name and Address of religious organization: \_\_\_\_\_

\_\_\_\_\_

Father's Full Name: \_\_\_\_\_

Birth Date/Place: \_\_\_\_\_ Living  Yes  No

Mother's Full Name: \_\_\_\_\_

Birth Date/Place: \_\_\_\_\_ Living  Yes  No

Names, addresses, and phone numbers of living brothers and sisters:

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_

(We also recommend keeping an up-to-date address and telephone book. This can be a big help in notifying others in times of emergency.)

Location of Book \_\_\_\_\_

Names, addresses, and phone numbers of other persons to notify upon my death:

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_
5. \_\_\_\_\_

The following nearby person has agreed to care for my family (or pets) temporarily:

\_\_\_\_\_

My Occupation: \_\_\_\_\_

Employer (Name & Address): \_\_\_\_\_

\_\_\_\_\_

Social Security Number: \_\_\_\_\_

Last Will or Living Trust executed on: \_\_\_\_\_ Will or living trust is located at:

\_\_\_\_\_

Advance medical directive executed on: \_\_\_\_\_ Advance medical directive is located at:

\_\_\_\_\_

Durable power of attorney executed on: \_\_\_\_\_ Durable power of attorney is located at:

\_\_\_\_\_

Personal Representative's ("Executor's") name and address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Bank Accounts/Savings Institution Accounts/Other Income-Producing Accounts:

Name of Institution	Type	Account Number
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1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_
5. \_\_\_\_\_

Safe Deposit Box Number & Location: \_\_\_\_\_

Location of Safe Deposit Box Key: \_\_\_\_\_

\_\_\_\_\_

Armed Forces Date of Service: \_\_\_\_\_ Branch: \_\_\_\_\_

Serial Number: \_\_\_\_\_

Discharge Certificate located at: \_\_\_\_\_

Attorney's name and address: \_\_\_\_\_

Investment counselor or banker's name and address: \_\_\_\_\_

Insurance agent's name and address: \_\_\_\_\_

Life Insurance Co.	Amount	Certificate #	Beneficiary
1. _____	_____	_____	_____
2. _____	_____	_____	_____
3. _____	_____	_____	_____
4. _____	_____	_____	_____

Insurance Policies are located at: \_\_\_\_\_

Credit and charge accounts:

Company	Account Number
_____	_____
_____	_____
_____	_____

Organizations/Associations/Societies/Unions/Lodges/Professional Association, etc.  
(Include office or position--past/present, and check if organization is to be notified).

Organization	Notify:
_____	_____
_____	_____
_____	_____

Regarding disposition of personal effects (clothes, jewelry, paintings, etc.) unless otherwise specified in will:  
(Note: this list expresses your preferences but has no legal standing; in your will you may incorporate by reference such a list to make it legally binding.)

Article	Beneficiary
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

Since the survivor will be faced with many problems, the following additional documents may be necessary in establishing rights to insurance, pensions, Social Security, ownership, relationship, etc. Indicate location for each item listed.

(H) Home      (D) Safe Deposit Box      (O) Office      (A) Attorney

_____ Marriage License	_____ Legal proof of age/birth cert.
_____ Citizenship papers	_____ Survivor's Pension Information
_____ Bill of Sale for care/title, reg.	_____ Stocks
_____ Bank books	_____ Other _____
_____ Deeds to property	_____ Other _____
_____ Income tax returns, receipts/canceled checks	

## MISCELLANEOUS NOTES, REFLECTIONS, OR INSTRUCTIONS

### REMEMBERING THE HINDU ASSOCIATION OF WEST TEXAS ENDOWMENT IN YOUR WILL

#### SAMPLE BEQUEST LANGUAGE

#### TO USE IN YOUR WILL OR LIVING TRUST—IN CONSULTATION WITH YOUR ATTORNEY

Having thought through the four P's, there are four different ways that a gift in a will can be made. They are:

- 1) a percentage of the estate.
- 2) a fixed dollar amount.
- 3) specific property such as stocks, bonds or real estate.
- 4) the residue of the estate.

The following sample wording for each of the four ways of giving is provided as a general guideline to use in wording your will to include a gift to the Hindu Association of West Texas Endowment. Similar wording can be used for bequests for each person you want to include in your will. However, be sure to consult with legal and financial professionals before the wording of your will is finalized.

- 1) "I give \_\_\_\_\_ percent (\_\_\_\_\_ %) of the rest, residue and remainder of my estate to the Hindu Association of West Texas Endowment."
- 2) "I give, devise and bequeath to the Hindu Association of West Texas Endowment, the sum of \_\_\_\_\_ dollars (\$ \_\_\_\_\_)"
- 3) "I give the following described property: \_\_\_\_\_  
\_\_\_\_\_ to the Hindu Association of West Texas Endowment."

4) "I give all the rest, residue and remainder of my estate to the Hindu Association of West Texas Endowment."

For all gifts to the Hindu Association of West Texas Endowment (Fund #80), the following wording should also be included:

"Hindu Heritage Endowment (HHE) is a charitable trust whose Federal Employer Identification Number is #99-0808924, located at 107 Kaholalele Road, Kapaa, Hawaii, 96746-9304, USA. This gift to HHE is to be assigned to the Hindu Association of West Texas Endowment (Fund #80) and may be commingled for investment purposes with other funds administered by HHE without restriction as to permissible investments. The principal of this gift shall be held in perpetuity, and the income (as determined by HHE) may be distributed to the beneficiary institution(s)."

### **The Option of Writing a Codicil**

If you already have a will you have the option of writing a codicil which contains a paragraph you would like to add to an existing will or living trust, may be drawn up, notarized and attached to your existing estate document(s). If you do this yourself, the entire codicil should be written in your own hand.

The following is an example of a codicil for a specific bequest.

"In addition to the will I executed on (Date of Will), I now desire to add this provision for the Hindu Heritage Endowment located at 107 Kaholalele Road, Kapaa, Hawaii, 96746-9304, USA namely to provide (specify percentage of estate or dollar amount, or describe asset) to be used for the Hindu Association of West Texas Endowment (Fund #80).

Dated: \_\_\_\_\_ Signed \_\_\_\_\_

Witnessed: \_\_\_\_\_

## Hindu Heritage Endowment Legacy Sangha Membership Form

Swami Shanmuganatha  
Charitable Funds Manager  
Hindu Heritage Endowment  
107 Kaholalele Road  
Kapaa, Hawaii 96746-9304

Dear Swami Shanmuganatha,  
(Check one):

- I have remembered the Hindu Heritage Endowment through a bequest in my will or trust or in some other way. Please enroll me in the Hindu Heritage Endowment Legacy Sangha. You may publish my name on the Hindu Heritage Endowment Legacy Sangha Honor Roll.
- I have remembered the Hindu Heritage Endowment through a bequest in my will or trust or in some other way. Please enroll me in the Hindu Heritage Endowment Legacy Sangha. Do not, however, publish my name.

Name(s) (Please Print) \_\_\_\_\_  
\_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

The more information we have regarding your gift, the better able we are to make sure your wishes are honored. If you are comfortable doing so, please note below the type of gift you have made. Completing this section is not required for the Hindu Heritage Endowment Legacy Sangha membership nor does this form have any legal force.

We have provided for the Hindu Heritage Endowment as follows:

- Charitable bequest (Indicate type of bequest):  specific amount  
 percentage  
 whatever's left over (residual)  
 if all heirs deceased (contingent)

- |  |  |
|--|--|
| <input type="checkbox"/> Charitable remainder trust  | <input type="checkbox"/> Charitable gift annuity |
| <input type="checkbox"/> Retirement plan designation | <input type="checkbox"/> Insurance designation   |
| <input type="checkbox"/> Pooled income fund account  | <input type="checkbox"/> Charitable lead trust   |
| <input type="checkbox"/> Other _____                 |  |

Estimated gift value (optional) \_\_\_\_\_

Name of person or entity responsible for transfer: \_\_\_\_\_

# Nine Stories to Guide Your Estate Planning Strategy

The following nine stories explain various planned giving options available for devotees of the Hindu Association of West Texas. These stories can help you to choose the best option available when you sit down to begin your estate planning. The first step is to fill in the estate planning tool kit on the previous pages. The second step is to carefully read these nine stories. The third step is to contact our planned giving specialist, Philip J. Murphy. He wrote these nine stories, and he can answer any questions you may have about these options. The fourth step is to contact an estate planning attorney, and Mr. Murphy can help provide three choices of attorneys in your local area.

The nine topics covered are:

- **Reflecting on the all important Will**
- **The importance of choosing a trustee**
- **What you need to know about Living Trusts**
- **The advance health care directive**
- **The marital bypass trust**
- **Community property and joint tenancy**
- **Charitable remainder trusts and pooled income funds**
- **The durable power of attorney**
- **The charitable lead trust**

These stories can help you to avoid the pitfalls and boulders along your estate planning path.

The Hindu Heritage Endowment wants you to succeed in your estate planning efforts and, through them, both care for your family and remember good causes like the Hindu Association of West Texas.

# Reflecting on Why the All-Important Will Is Just One Part of Your Complete Estate Planning Package

Phone number of same: \_\_\_\_\_

With fuel and food prices sky high, it's natural for a family to think about its future financial security. The last place you might think to look for help in such matters is a Hindu monastery. But, in addition to spiritual direction, monasteries around the world offer practical guidance to help stabilize society during changing times. Many of you have supported the monastery for years, and we in turn want to help your family's future. That is one reason the monastery is happy to provide a free, well-thought-out estate planning tool toolkit.

A good estate plan will not make high prices lower. But it will protect your family from unnecessary court costs, attorney fees and taxes. These can do real damage, especially at a time when prices continue to trend upward.

One of the most basic but misunderstood estate planning tools is the will. Some people think a will avoids probate, the costly court process that supervises the distribution of wealth to others at death. Not true. Your will is a ticket to probate court. Think of your will as a letter to the judge, telling him or her who gets your estate. The judge supervises distribution following your will, making sure the right people get the right things.

Some think the executor of your will can step in and manage your assets if you are too ill to do so. Not true. The executor has no power until after your death.

Some think wills can direct who gets everything you own. Not true. Some of your assets—life insurance and retirement plans, for example—indicate who gets what through their own beneficiary designations. Wills cannot simply override these designations.

Despite these and other limitations—costs, delay, and their public nature—wills are a blessing to families who would otherwise watch helplessly as the court distributes their loved one's estate according to an impersonal formula that might have little to do with the decedent's wishes.

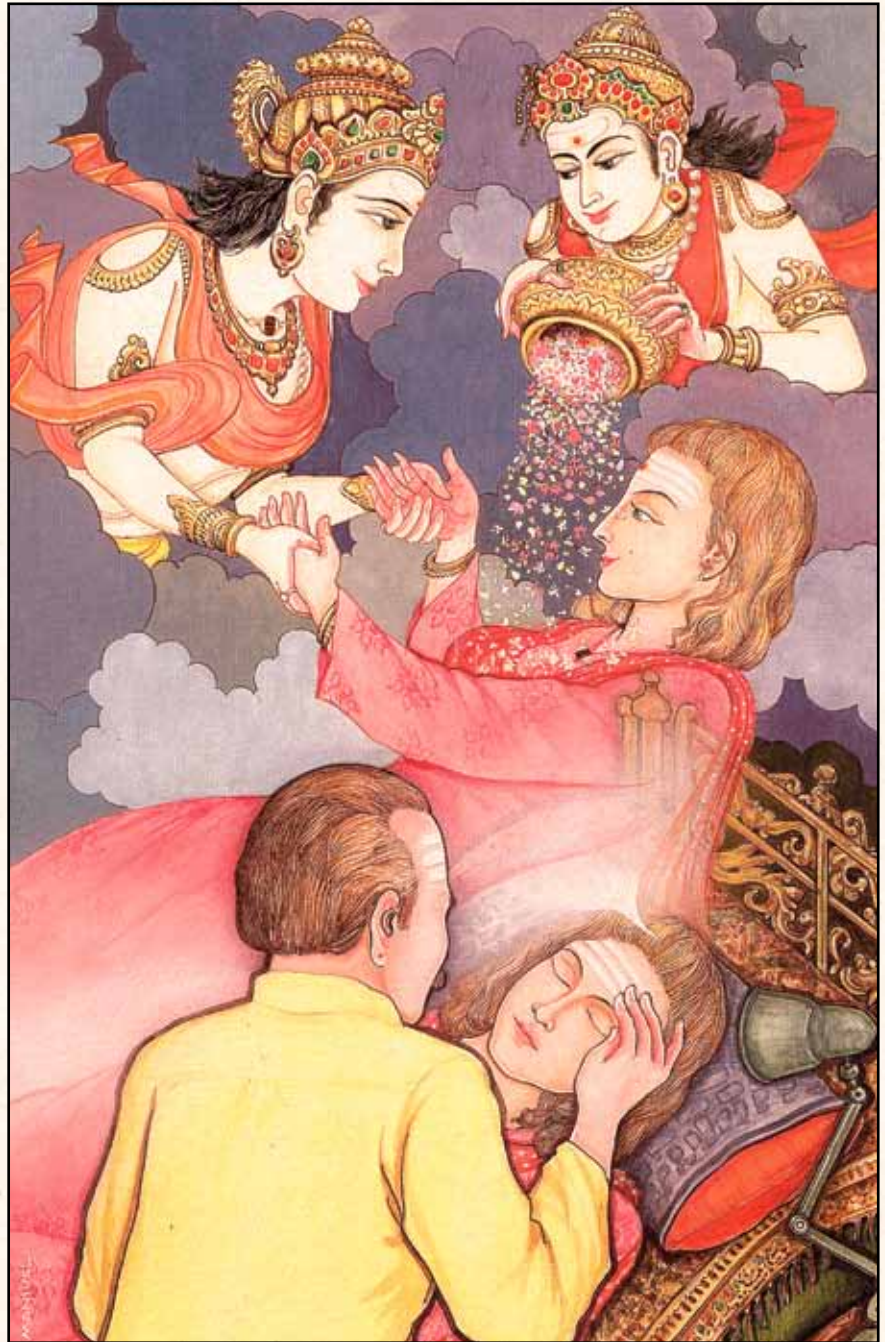
This is why a will is usually the first document people think of when drafting an estate plan. Even so, 58 percent of adult Americans don't have one according to a new survey from lawyers.com. Here are some other interesting statistics from the survey's findings:

- 18 percent of Americans experience problems, due to a lack of or a flawed estate plan, after the death or incapacitation of a loved one.
- Nearly eight percent of Americans without an estate plan say they do not have one because

they do not want to think about dying or incapacity.

Most attorneys encourage their clients to consider a living trust, a power of attorney for property management, an advance health care directive and a will. These are all topics covered in the estate planning tool toolkit.

Learn more about estate planning and planned giving at [www.hheonline.org](http://www.hheonline.org).



*A woman leaves her physical body and is received by her guardian devas in her astral body at the moment of her Great Departure. She is happy that—guided by her estate planning tool kit—her personal and financial affairs are settled.*

# Tale of Two Brothers Shows How Crucial the Choice of One's Trustee Can Be

Two brothers, never very close, were surprised when their 85-year-old mother called and asked them to meet with her. She would not tell them why. "My friends at the senior center keep telling me I'm crazy not to have a living trust," she told them when they met at her aging Victorian on the edge of town. "I want you boys to help me."

Amol, a hotel manager in his late fifties, lived just north of San Francisco with his wife. They had two adult children in the area. His much younger brother, Partha, a software engineer, lived alone in San Jose, in Silicon Valley. Amol, to Partha's relief, found a local estate planning attorney. In three weeks the trust was ready for their mother's signature. The two brothers were named successor co-trustees with equal powers.

All went well for three years. Then Amol, who visited his mother often, found her one weekend afternoon unable to continue a conversation. The diagnosis at the local emergency room was transient ischemic attack, a temporary lack of blood to the brain.

Shortly after they arrived at emergency, his mother was fully alert and clamoring to go home. But they spent the next five hours waiting for tests and the doctor's report. The doctor could find nothing specific, but insisted on overnight observation. The mother, discharged the next day, left fuming at being kept from her home when she had felt "perfectly fine."

When Amol told Partha of the incident that afternoon, Partha asked pointedly why he hadn't been called right away. "You've kept your distance for the last twenty years, and now you want me to be your personal eye-witness news team?" Amol shot back.

So it went for four more years as their mother continued to suffer fainting spells and diminished capacity. Partha regularly second-guessed his brother's decisions. Amol grew resentful of the time his mother required of him as the nearby son. Then one of Amol's children began taking what Partha thought was an unseemly interest in the value of his grandmother's estate.

The damage to already tenuous family relationships was substantial. So far, the brothers have avoided taking each other to court, but just barely.

Amol and Partha's story, though fictional, is a composite of true stories. Despite situations like these, estate planning attorneys continue to promote living trusts because they work so well in most cases, allowing families to handle major assets without court intervention and bypassing probate. But many living-trust boosters have tempered their enthusiasm by emphasizing the need for great care when selecting a successor trustee.

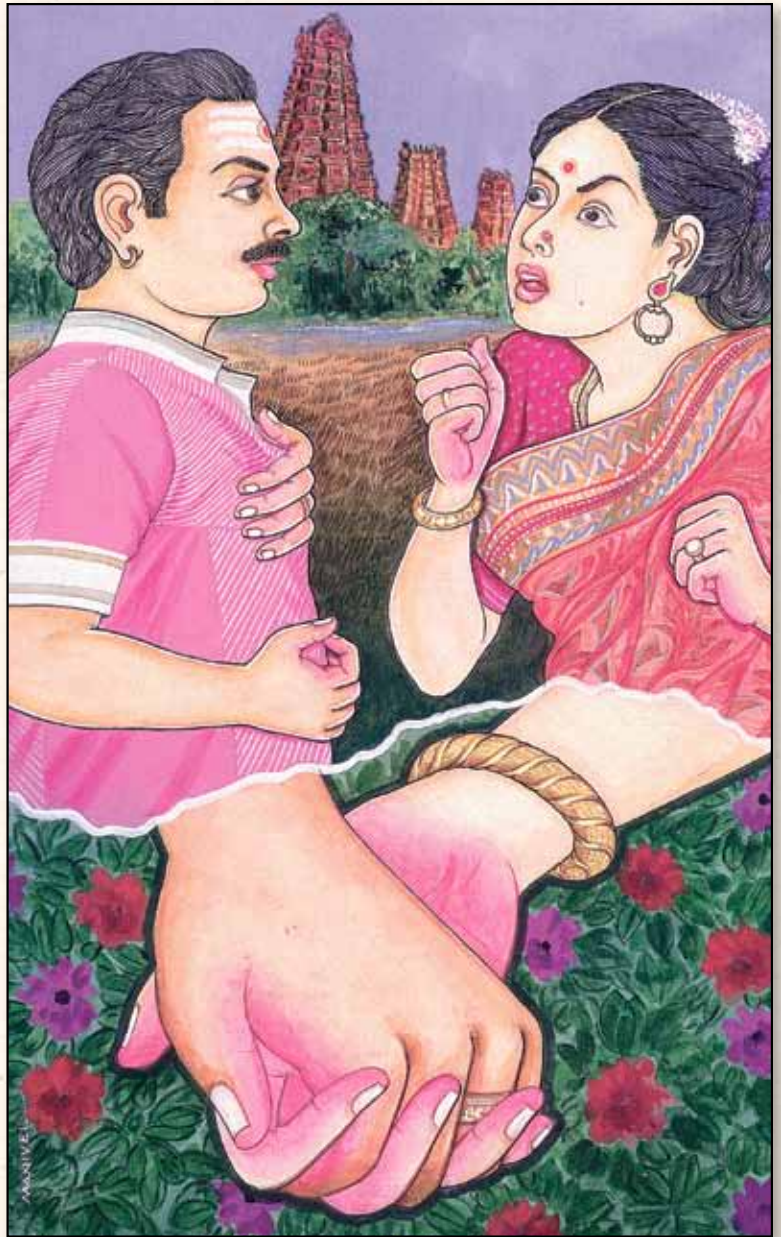
Having the love of a parent is not the sole qualification. Trustees need to have the competence to manage assets, the discipline not to consider property in a trust as theirs, the ability to cooperate with others, and the self-control to exercise fairness, honesty, respect, courtesy and good faith

at times of great stress.

No matter how well written your living trust is, the choice of your successor trustee remains crucial to its fulfillment.

The Hindu Heritage Endowment wants you to succeed in your estate planning efforts and, through them, both care for your family and remember good causes like the Iraivan Temple Endowment.

We've placed a brief trustee code of ethics on our website which you may review at [www.hheonline.org/trustee\\_ethics.shtml](http://www.hheonline.org/trustee_ethics.shtml).



*Use care when selecting a trustee for a living trust. Otherwise, contention among family members may arise, as shown here. Choosing a qualified trustee helps ensure harmonious conditions.*

# Why Do You Need to Know About Revocable Living Trusts?

**T**he Hindu Heritage Endowment (HHE) wants you to have a good estate plan to protect yourself and your family. It can also help you make a lasting difference to worthy causes like the Iraivan Temple.

“Dying intestate” is the ugly legal phrase used to describe an adult passing away with no estate plan, a condition that sets up family and friends for confusion, dissension, delay and conflict at a time of great stress. Many adults die intestate. According to a recent survey by legal publishers LexisNexis Martindale-Hubbell, 58% of American adults don’t have a will, much less a complete estate plan.

HHE encourages all families to have complete estate plans. Nowadays, that means having a will, a revocable living trust, power of attorney for property management and an advance health care directive.

At death, a will becomes a set of legally binding instructions that govern the distribution of your assets. Some people mistakenly think that a will avoids probate. On the contrary, a will is a ticket to probate court; but probate has the advantage of making sure your assets get distributed as your will directs. It has the disadvantage of being expensive, time-consuming and public. So, are you doing yourself and your heirs a disservice if all you have is a will?

A revocable living trust does avoid probate, but what exactly is it? Think of a revocable living trust as a mini-corporation that holds title to your most important possessions: your home, your investment portfolio and your cash reserves. Though you still have complete control over these possessions, you no longer hold them in your name. They are held by your revocable living

trust. And just as a corporation does not go through probate when the CEO dies, your living trust avoids probate at your death. Your successor trustee simply steps in and follows the rules and instructions of the trust.

Living trusts are useful during life as well. If, for example, you become unable to manage your real estate or finances through illness or accident, your successor trustee can take charge. There’s no costly and embarrassing public conservatorship hearing.

Revocable living trusts do have some disadvantages. They are more detailed than most wills, and so the cost of writing them is usually more than a will. Also, you must remember to transfer assets to your trust. If you do not, your living trust will remain an elaborate but empty shell, like a safe deposit box with nothing in it.

A living trust needs to be managed and its assets distributed according to its terms. Your successor trustee is supposed to take care of these important and sometimes complex tasks promptly, so choose your trustee with care.

A well-managed living trust is a solace to your family and a boon to good causes. Naming the Iraivan Temple Endowment as a beneficiary of a living trust for a percentage of your estate, a specific amount, or a specific property can usually result in a timely distribution at minimum cost. You can use your living trust to create a future endowment fund at the Temple in your name or the name of a loved one. Like the gardens that surround the Temple, your living trust will produce blossoms for a thousand years in the form of harvested income from your fund’s principal.



# An Advance Health Care Directive Saves a Family Grief

Sanjit Sharma had slipped into a coma from which, his doctors said, he would not awaken. His grieving family, however, had one great consolation: Sanjit had put down in writing what he wanted done in just this circumstance.

Rather than debating if and when to take their father/grandfather off life support—remember the Terri Schiavo case contentiously argued in the US Congress?—they referred his doctor to Sanjit's advance health care directive.

"I already have that in my files," the doctor told them. "Sanjit gave us a copy when he was in the hospital five years ago." The family breathed a communal sigh of relief. They still had many issues to face, but Sanjit had lifted from their shoulders this delicate decision. Besides saving them from conflict at a time of great stress, he also saved his estate from the enormous expense of high-tech but, in his case, futile medical treatment.

The advance health care directive, also known as a durable power of attorney for health care, is a legal document, similar to a living will, that lets your physician, family and friends know your health care preferences, regarding the types of special treatment you want or don't want at the end of life, your desire for diagnostic testing, surgical procedures, cardiopulmonary resuscitation and organ donation.

The Hindu belief in the rebirth and reincarnation of souls transforms death from a calamity to a natural process, a means by which the soul sheds one body and continues its evolution in another. But our technical ability to keep patients alive and the natural inclination to prolong the life of a loved one can create conflict among family members who are keeping vigil by the bedside.

By completing an advance health care directive, you, like Sanjit, can avoid having your family making crucial medical decisions for you at a time of emotional turmoil, and assure that your wishes are fulfilled.

Most US states have a form you can fill out to express your health care wishes. If you have Internet access, google "Hawaii Advance Health Care Directive" or "California Advance Health Care Directive (California Probate Code Sample Form)." Ideally, have an estate planning attorney guide you to make sure your wishes conform to both state and federal law. Your health care directive will allow you to make clear:

- What is important to you when you are dying
- Specific medical treatments you especially want or do not want
- Whether you want to be in a nursing home, a hospital or at home
- Your preferences regarding palliative care/pain

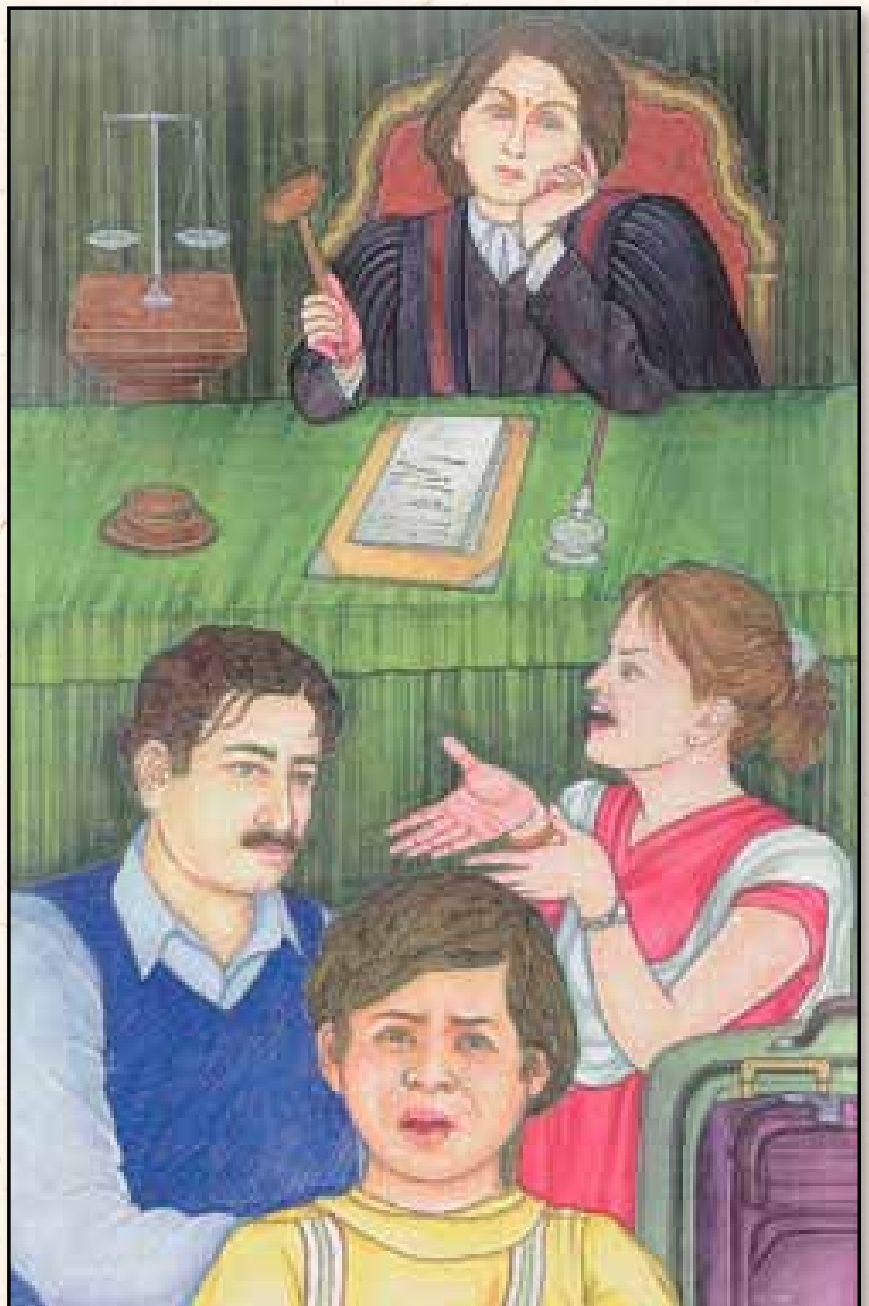
management and hospice care

- Who is to make sure your wishes are carried out

Keep your original signed form and give copies to the person you appoint as your agent and any alternates, your physician, family members, and the health care institution providing your care.

Don't rely on this brief article for authoritative guidance. Again, an estate planning attorney is your best resource.

For more information on advance health care directives, visit the Hindu Heritage Endowment website, [www.hheonline.org](http://www.hheonline.org), and click on Planned Giving, then Essentials and then Living Wills.



*Lacking an advance health care directive, a family is forced to resolve its conflicts in a court of law*

# How a Marital Bypass Trust May Save Thousands in Taxes

Dhaval and Radha's attorney warned them to protect their \$5 million estate with a marital bypass trust. "What's a marital bypass trust?" Radha asked during their first visit to his office.

"It's the same as a credit shelter trust or an A-B Trust."

"Yes, but what is it and what does it do?"

"Look at Dhaval," the attorney said gesturing toward her husband. "Imagine him carrying a sack marked '\$2 million' over his shoulder. Dhaval dies. Not only he passes from this life, but so does that \$2 million, unless you have a marital bypass trust."

"But I thought on the death of the first spouse the surviving spouse got everything," Dhaval said. "That's true," the attorney answered. "And if the surviving spouse is a US citizen, he or she gets everything free of federal estate tax. But that \$2 million is not \$2 million in cash or property; it's a \$2 million exclusion from estate tax."

"But why do we need estate tax protection if everything passes

to the surviving spouse tax-free?" Radha asked, wondering now why all this was so complicated.

"Because the day of reckoning has only been postponed, not eliminated," the attorney explained.

"On the death of the second spouse, the estate becomes vulnerable to estate tax. Without a marital bypass trust, you will have lost one-half of the estate tax protection you have as a married couple."

"So what should we do?" Dhaval asked. He had begun to tally in his mind the tax on \$2 million of their estate that could be transferred tax-free.

"Here's what I propose," the attorney offered, looking up from his yellow legal pad where he had roughed out the \$800,000-plus tax savings a marital bypass trust would provide. "I'll write your estate plan so that the surviving spouse may either take the entire estate directly or choose to place part of the estate into a marital bypass trust. The choice will be yours, and you

can make it depending on the size of your estate at that time and the current laws."

"Since I have coronary artery disease, the bypass trust will be well named," Dhaval quipped.

"Yes," the attorney mumbled with a weak smile.

"Puns aside, the bypass trust will eventually pass to your children, but in the meantime the trust assets are invested exclusively for the surviving spouse who receives all the income and can invade principal if his or her health, education or welfare is at stake."

Leaning toward the couple for emphasis, he added: "The fact that the surviving spouse does not directly own what's in the marital bypass trust preserves the decedent's \$2 million exclusion from estate tax, or whatever that exclusion is at time of death."

"But what if the trust grows beyond exclusion amount?" Dhaval asked.

"It doesn't matter. The full amount in the trust, whatever it ends up being, is completely protected."

Leaving the attorney's office, Dhaval and Radha felt slightly woozy. Why, they wondered, did so much of their children's inheritance depend on such obscure points of law? Still, it was helpful to have such sophisticated options.



*Talk to your attorney about the pros and cons of using a marital bypass trust with your children as beneficiaries*

# Community Property and Joint Tenancy: Why the Way You Hold Property Matters

In 1969 when Ajit and Inayat bought their California home, a year after they were married, their realtor suggested they hold it in joint tenancy.

"It's more convenient," he explained. "When one of you dies, the survivor gets the decedent's half of the home automatically and without probate."

All the young couple remembered was "without probate."

Ajit told Inayat that when his unmarried uncle died unexpectedly, the estate was tied up in probate court for a year. He would not want her to be subjected to that kind of delay and expense. Joint tenancy it would be.

Shortly after celebrating their fortieth wedding anniversary, Ajit suddenly died. As planned, his widow received his half of the home without the delay or costs of probate.

With their children raised and the home too large for her to manage, Inayat put the house on the market for \$900,000 and received an offer for the full amount within a week, this for a home they had bought decades earlier for under \$50,000.

But with the sale came a shock: she had to pay federal and state capital gains taxes on \$275,000 of the sale proceeds.

"Why?" she asked her realtor.

"Because you and Ajit held your home in joint tenancy rather than as community property," he said.

"What difference does that make?" she asked, her voice rising.

"About \$65,000 in taxes," he retorted.

His answer was curt but his math correct. Holding their home in joint tenancy meant that when Ajit died, Inayat did not get a full "step-up in basis," a technical term for a financial favor we do our heirs at death.

When an heir receives a full step-up in basis, the property he or she receives from us upon our death is viewed by the IRS as though they had bought it at its full fair market value. So if they sell it, they may have little or no capital gains to worry about. If Ajit and Inayat had held their home as community property, Inayat would have avoided being taxed on the \$275,000, her realtor explained.

"That's not fair!" Inayat moaned. "I know, but it's the law."

Though fictional, this tale is based on the many painful experiences of married couples living in community property states.

You may have no capital gains to worry about, even if you use joint tenancy. Why? Every home owner has a \$250,000 exclusion from capital gains tax when they sell a personal residence, as long as they've lived there at least two years. Married couples can combine their exclusions for a total of \$500,000. In certain markets, however, even that may not fully cover the gain.

So, if you're married, should you rush out and change title to your home and other assets (rental property and investments held in joint tenancy have no \$250,000 exclusion from capital gains tax) from joint tenancy to community property? Not without legal advice and a financial analysis of your situation.



*Prior to buying a home, talk to your real estate agent about the differences between joint tenancy and community property*

# Charitable Remainder Trusts and Pooled Income Funds Balance Financial Needs and Charity

The best way to learn about the tax and income advantages of our pooled income fund and of charitable remainder trusts is through the stories of those who have utilized them. Here are three.

**A No-fuss Trust:** A married couple, both 65, wanted to sell \$25,000 of appreciated stock they had purchased years before for \$5,000. “Guess who will be the first to congratulate you on your investment acumen?” their accountant asked them with an unnerving smile.

“The IRS,” they replied. The math was simple. They would have to pay capital gains taxes on \$20,000 if they sold the stock conventionally. Instead, they contributed the stock to the Hindu Heritage Endowment Charitable Pooled Income Fund.

The Fund sold the stock tax free, and the couple is being paid the income for life. They also received a charitable income tax deduction of \$7,377.

The key to the deal, however, was not tax and income advantages, but the ultimate gift to Hindu causes. They also liked the Fund’s simplicity—about the same paperwork needed to open a bank account. They now call their pooled income fund account their “no-fuss trust.”

**Tax-free Sale of Real Estate:** An Iraivan Temple supporter,

age 75, bought a rental unit years ago. He finds himself yearning to be free of landlord worries. The property has been recently appraised at \$350,000.

He is startled to discover he will be faced with capital gains taxes on \$300,000. To bypass the tax, he contributes the property to something called a charitable remainder unitrust.

His attorney tells him that a unitrust will pay him a fixed percentage of the trust’s value annually for life. His income needs are modest, so he sets the unitrust’s payment rate at the minimum allowed by law: 5%. That will provide him with \$17,500 in the first year. The unitrust will also give him a charitable income tax deduction of \$212,820. If the value of the trust increases or decreases, so will his payment.

He transfers the property to the unitrust, which sells it free of capital gains tax. At his death, whatever remains in the trust will go to the Iraivan Temple Endowment and a few other causes he favors.

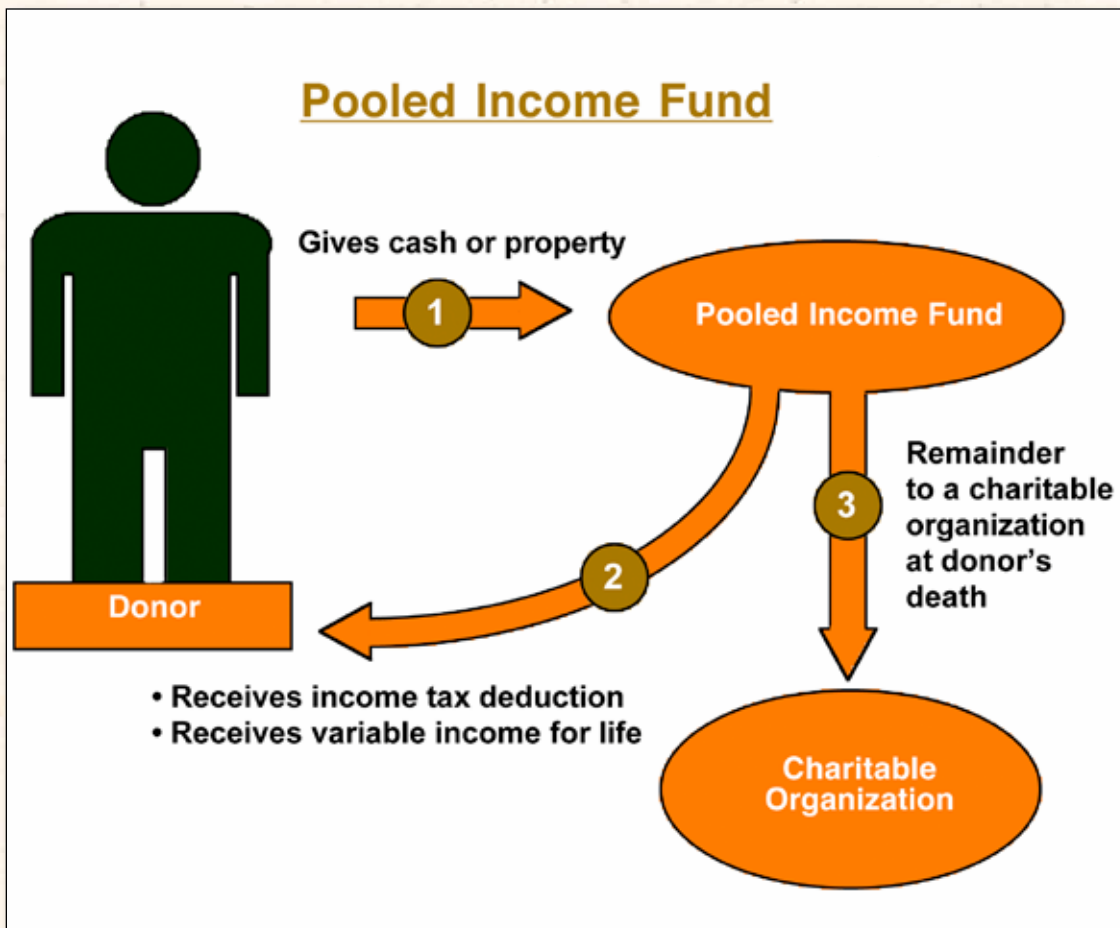
**Income for Life to Disabled Child:** A Hindu Heritage Endowment supporter has an adult son who has suffered from mental illness for many years. Though he is proud of how well the child functions in the community, he is concerned that he could easily be defrauded if he were to receive his inheritance outright.

He, of course, can help him while he is alive. But what will

happen when he dies? His estate planning attorney suggests a testamentary charitable trust. “Whenever you hear the word *testamentary*, it means something goes into effect upon your death,” the attorney explained.

“Until that time, you have complete control over everything. At your death, the charitable trust is funded and pays income to your son the rest of his life. Trust principal is protected and professionally managed for his benefit. At his death, principal will pass to the Hindu Heritage Endowment to support the causes of your choice.”

**Your Story:** If your story, or the story of someone you know, includes circumstances that warrant the use of a no-fuss trust account (our Pooled Income Fund) or a charitable remainder trust, visit the HHE Web site, [www.hheonline.org](http://www.hheonline.org), and click on Planned Giving and then Ways to Give.



The pooled income fund is one way to make a meaningful gift to your important causes, and also provide major benefits for you

# Durable Power of Attorney: When You Need to Give Others Control of Your Property

Are you out of your mind?" So thought Aditya, a well-traveled engineer in his forties with an international client base, when his attorney first suggested he name someone to control his bank accounts, make his mortgage payments and complete and sign his taxes.

Too polite to speak his misgivings, Aditya revealed them in his face. "No, no. I'm not asking you to give away the store," the attorney said with a smile. "These powers would spring to life only when you need them."

"For example?"

"Let's say you had a serious accident on one of your trips. Doctors confirm you can't manage your finances for a while. If you have completed a durable power of attorney for property management and finance, someone you have chosen could immediately pay your medical bills and mortgage."

"And if I haven't done this, what would happen?" Aditya queried.

"Without it the court would have to appoint a conservator for you," the attorney explained with a grimace. "That's called, logically enough, a court conservatorship. In some cases it's the only solution, but, believe me, you want to avoid it if you can. It's expensive and unpleasant—after all, they have to discuss your mental competence in public. And in the end they may appoint someone you would not want."

"'Power of attorney' does not imply an actual attorney, does it?"

"No. 'Attorney' is used in the broad sense of someone acting in your place and on your behalf, not an attorney-at-law like me."

"How important is this document?"

"Well, after I had given an estate planning seminar and reviewed the tools of the trade, an emergency-room nurse who was in the audience spoke up. 'Accidents happen. Everyone should have a durable power of attorney for property management, no matter what your age, if you own property and have bills.'"

"Is it a long document?"

"It can be, depending on what you want your representative to do," the attorney said. "This is typical," he added, handing Aditya something that looked like an accountant's to-do list. It read:

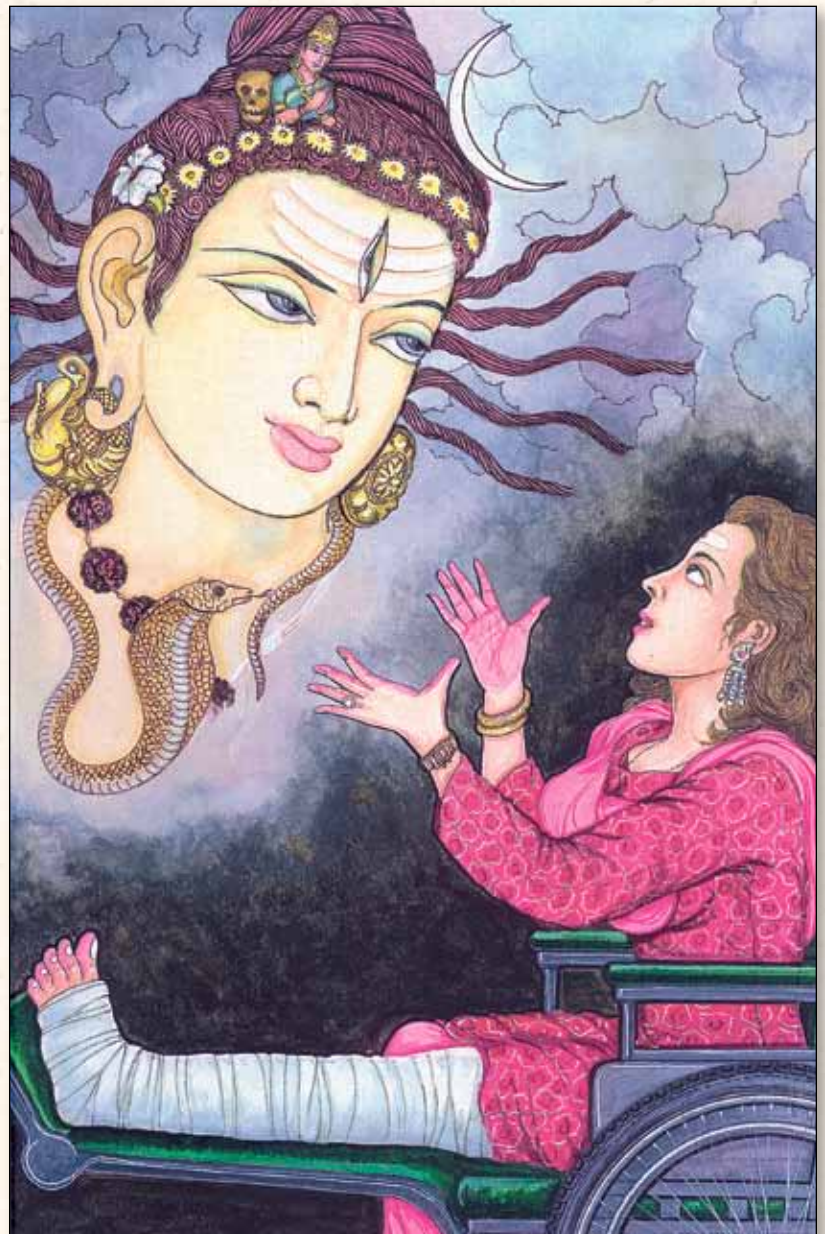
- Make deposits and withdrawals from bank accounts
- Sign tax returns and appoint qualified individuals to represent the principal with the IRS in order to make investment decisions
- Deal with retirement plans, including IRAs
- Have access to the principal's safe-deposit box
- Create a living trust and fund a previously created living trust
- Revoke or change beneficiary designations
- Vote the principal's stock
- Forgive or collect the principal's debts

- Enter into contracts on behalf of the principal
- Make gifts on behalf of the principal
- Disclaim gifts or bequests made to the principal
- Deal with life insurance on the life of the principal

There were a few people, very few, to whom Aditya would give these powers. He did not relish a judge he did not know making that choice for him.

"Let's get it drafted," he declared.

For more information on durable powers of attorney for property management and finance, visit the HHE Web site, [www.hheonline.org](http://www.hheonline.org), and click on Planned Giving, then Essentials, and then Power of Attorney.



*Incapacitated by an injury, a woman is grateful she had the foresight to appoint a conservator for such an eventuality*

# The Charitable Lead Trust—A Flow of Gifts to the Temple and a Legacy Gift to Your Family

Yash has received a generous inheritance from his parents and wants to provide future gifts to his son, Darpan, when he is old enough to manage money responsibly. He also wants to support the construction of Iraivan Temple now. Is there any way for him to meet these two seemingly irreconcilable goals?

Yash put this problem to his accountant brother-in-law, Smaran, on the weekend while helping him move some furniture into his new home.

After struggling with a queen-size box spring which they finally got to the second floor bedroom, the two men took a break. “Have you considered a charitable lead trust?” his brother-in-law asked.

“What in the world is that?”

“Let me explain,” Smaran said. “Let’s start with your goals. As I understand them, you want to give Darpan about \$100,000 when he’s 35. Is that right?”

“Yes. I feel he’ll be able to handle money by then. He’s only twenty now.”

“But you also said you wanted to support the Iraivan Temple beginning this year.”

“That’s right,” Yash answered.

“Here’s what you can do,” Smaran volunteered. “You place \$100,000 into an irrevocable charitable lead trust. You write the trust so that it must pay \$4,000 a year for 15 years to support the temple. After that, the trust passes what remains in the fund to Darpan.”

“Why would I go to all that trouble?”

“Here’s why. First, you’ve set up an instrument that provides steady support to the temple. The temple will get \$4,000 a year from the trust almost automatically.”

“That would be great.”

“Second, Darpan will get about \$100,000 tax-free in fifteen years.”

“Do you think the trust can earn 4% a year?”

“Sure,” said Smaran. “I know of some tax-free muni bonds that pay 4%. Third, you also get a \$47,000 gift tax deduction. I don’t know if that helps you much or not, but it limits the damage that the gift to Darpan

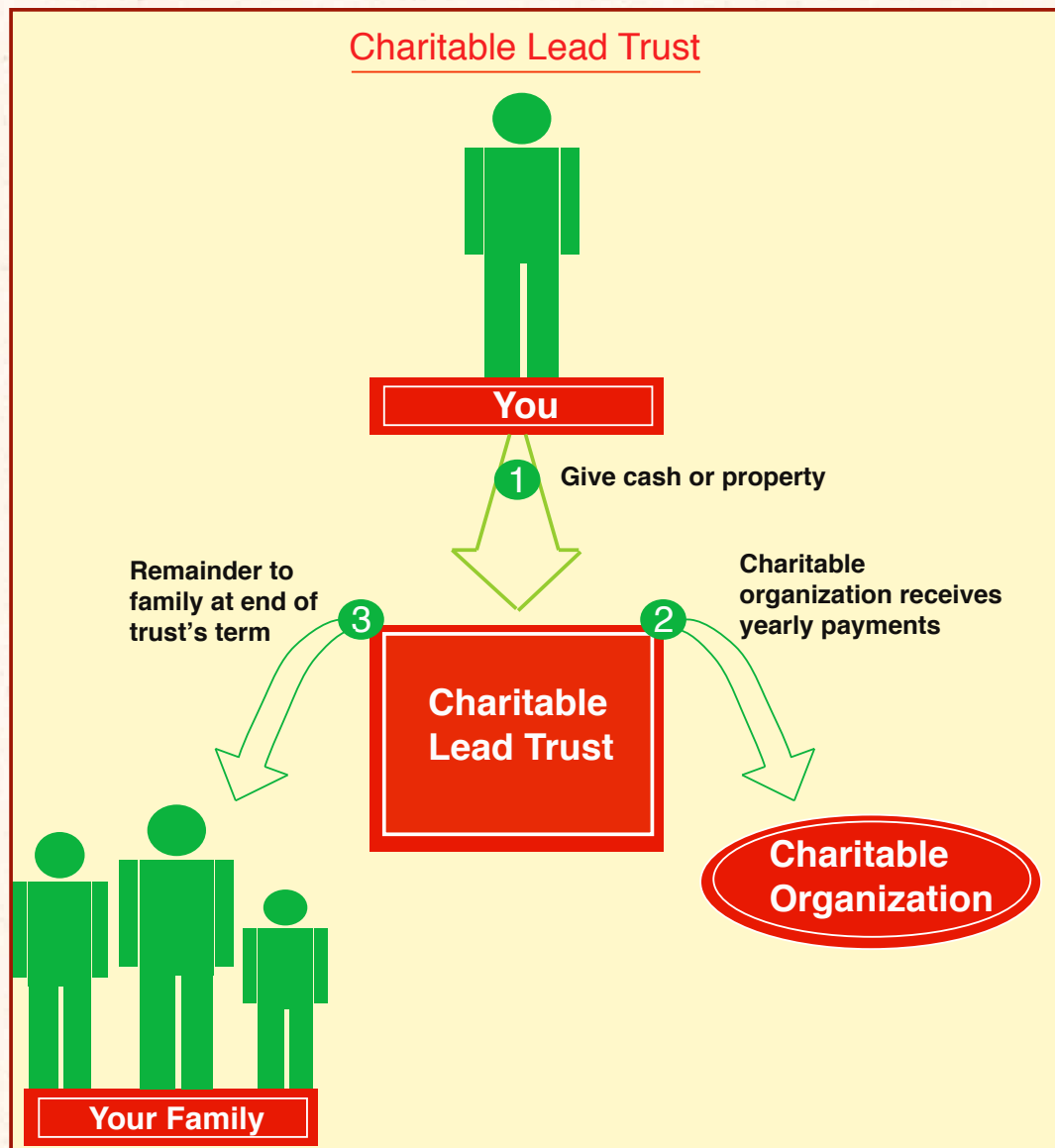
would otherwise do to your estate tax exclusion.”

“Well, estate tax is not likely going to be a problem for me,” Yash said. “My main purpose is to make sure Darpan gets the \$100,000, but not before he’s old enough to handle it, and that the temple gets my support starting now.”

“Then talk to your accountant about setting up a charitable lead trust.”

For information on charitable lead trusts and other estate planning tools, contact Phil Murphy at 415-457-7482 or [pgphil@earthlink.net](mailto:pgphil@earthlink.net).

To help your favorite endowment program visit [www.hheonline.org](http://www.hheonline.org).









# Estate Planning Tool Kit

**A Custom Edition for the Devotees of the Hindu Association of West Texas**

- **Basic estate planning information from the American Bar Association**
- **An Estate Planning Inventory Form to organize information before you visit your attorney**
- **Values Planning: Questions to Ask before You Plan Your Estate**
- **How to Remember the Hindu Association of West Texas Endowment (fund #80) in Your Will**
- **Nine Stories to Guide Your Estate Planning Strategy**