

You Make the Comparison

AT DEATH

NO WILL

Probate: Court orders debts paid and assets distributed according to state law (which may not be what you want). No ability to make charitable bequests or engage in death tax planning.

Costs: Your estate pays all court costs and fees (legal, appraiser, accounting, executor, etc.) estimated at 4% to 8% of the "gross value" of your estate.

Time: Usually a minimum of 6 months or more; possibly years for larger or more complex estates.

Privacy: None. Probate proceedings are public. The details of your debts and assets are a matter of public record.

Flexibility and Control: None. Your property is controlled by the probate process according to state law. Easy for anyone to contest.

WITH A WILL

Probate: Normally requires filing an inventory of assets with the Court and notification to creditors. After waiting period required by law, Court orders debts paid and assets distributed according to the Will.

Costs: Usually the same as with no Will (could be less).

Time: Usually the same as with no Will (could be less).

Privacy: Same as with no Will. Also, the terms of your Will (including the details of your beneficiaries) are a matter of public record.

Flexibility and Control: Limited. Although you can change your Will at any time, it is a matter of public record and can more easily be contested. Family usually has no control over the probate process.

LIVING TRUST

No Probate: Your designated successor normally pays debts and immediately distributes assets according to the Living Trust.

Costs: Minimal to none.

Time: Usually a few weeks for smaller estates; possibly a few months for larger estates.

Privacy: Total privacy. A Living Trust is not a public record.

Flexibility and Control: Total. You can change your mind at any time (even revoke your Living Trust). Your property is controlled by the terms of the Living Trust which is not a matter of public record and difficult to contest.

IF YOU BECOME INCAPACITATED

NO WILL

Probate: Court must name conservator/guardian who oversees your care and must give records and reports to the Court.

Costs: Your estate pays all court costs, conservator/guardian and legal fees.

Time: Court controls all finances and approves all expenses. Creditors are notified and claims filed.

Privacy: None. Probate proceedings are public.

WITH A WILL

Probate: Same as with no Will.

Costs: Same as with no Will.

Time: Same as with no Will

Privacy: Same as with no Will

LIVING TRUST

No Probate: Your designated successor manages your financial affairs according to your instructions in your Living Trust.

Time: Your successor may act immediately and without Court approval.

Privacy: Total privacy. A Living Trust is not a public record.

Comparative Guide to the Features of Nine Types of Planned Gifts

Planned Gift Type	Donor Profile	Benefits to Donor	Benefits to Nonprofit	Donor's Control
1. Revocable Gifts	Desires, needs to be able to revoke gift.	Total control, ownership during life; estate tax deduction.	Charitable gift at donor's death.	Absolute until death; thereafter, none. (except some "say" in how non-profit manages, uses the gift assets).
2. Outright Gift	Willing, able to give all rights in asset immediately.	Income, gift, and estate tax deductions; simplicity.	Full ownership of gift without waiting for donor's death.	Generally, none (except some "say" in how non-profit manages uses the gift assets).
3. Bargain Sale	Willing to let non-profit own entire asset, but wants, needs part payment for gift asset.	Income, gift, and estate tax deductions; part payment for gift asset.	Same as above.	Same as above.
4. Remainder Deed or Life Estate	Owner of farm, home who wants use of asset until death.	Income, gift, and estate tax deductions; lifetime use of home, farm.	Irrevocable right to own home, farm after death of tenant (usually donor).	Complete right to manage, operate during life, but no power to waste or sell without the consent of non-profit.
5. Charitable Gift Annuity	Similar to bargain-sale donor, but wants payment in installments, for life, and guaranteed.	Income, gift, and estate tax deductions; life-time, fixed, or annual income; guaranteed.	Same as 2.	Same as 2.
6. Pooled Income Fund	Small to large assets. Wants to keep or give lifetime income from the gift assets.	Income, gift, and estate tax deductions; possible retained management; may regain or transfer trust assets at end of trust.	Irrevocable payments, at least annually, for trust term.	Donor can be trustee.
7. Charitable Remainder Unitrust	Large assets. Wants inflation hedge income for life or fixed term. May want investment control of trust.	Income, gift, & estate tax deductions; lifetime income without limits; investments diversified; guaranteed.	Irrevocable right to receive the fund assets attributable to the income beneficiary's share at death of beneficiary.	None.
8. Charitable Remainder Annuity Trust	Similar to 7, except-donor desires fixed payments during trust term.	Same as above, except lifetime or term income has dollar limits rather than percent limits.	Same as above.	Same as above.
9. Charitable Lead Trust	Requires substantial income, gift, or estate tax deduction, moderately to very wealthy.	Income, gift, and estate tax deductions; possible retained management; may regain or transfer trust at end of trust.	Irrevocable right to receive the fund assets attributable to the income beneficiary's share at death of beneficiary.	None.