

Gift Planning Guidebook

— CREATE A LEGACY —



JEWISH HOME &
CARE CENTER
FOUNDATION

Supporting Ovation Communities

Chai Point Jewish Home Kavod Terrace

This guidebook is designed to help you evaluate whether making lifetime gifts is right for you.

In answering this series of questions, you will be asked to consider factors related to your goals for your wealth and your family, as well as the amount of gift you can afford if you want to make one. If you are answering this as a couple, it will help you compare your attitudes and expectations.

Answering these questions ultimately will help you have a more productive conversation with your legal, tax and financial advisors about gift planning.

1

CONSIDER YOUR BALANCE SHEET

LIST YOUR PRIMARY GOALS FOR YOUR WEALTH

If some of these are higher priority than others, you can indicate them with two checks. Financial goals include:

- Accumulating assets for retirement
- Generating current income for lifestyle spending
- Providing for the education of children or grandchildren
- Philanthropy
- Support and benefit to children or descendants
- Leaving a legacy
- Buying a vacation home
- Saving for a rainy day

• Other:

- _____
- _____
- _____
- _____

CONSIDER WHETHER YOUR GOALS HAVE CHANGED OVER TIME

Thinking back to five years ago, would you say that:

Check the box that applies to you

- I am MORE LESS confident that I have sufficient assets to reach my goals
- I am MORE LESS interested in making gifts
- The beneficiaries I would like to benefit ARE ARE NOT the same as five years ago
- The amount of assets needed to finance my lifestyle has INCREASED DECREASED
- The amount of assets needed to finance my retirement has INCREASED DECREASED

2

REVIEW THE WEALTH PLAN PROVIDED BY YOUR FINANCIAL ADVISOR

Keeping that plan in mind, answer the following questions. Remember that the purpose of this exercise is to guide conversations. This is not about getting the same answer as someone else but about examining your own goals and ideas.

1. What level of confidence do you have that your wealth plan will cover your goals, including your lifestyle?

- a. Very confident
- b. Reasonably confident
- c. Neutral
- d. Not as confident as I would like
- e. Not confident

2. Which of the assumptions, if any, are you concerned may be understating or overstating the future value of your assets or the cost of your goals?

Select all that apply

- a. Cost of goals
- b. Inflation
- c. Market returns
- d. Future expenses not currently identified
- e. Other

3. Based on your wealth plan, are you considering a current lifetime gift to any of the following?

Select all that apply

- a. Charity
- b. Spouse
- c. Child/children
- d. Grandchild/grandchildren
- e. Multiple generations of descendants
- f. Other family members or friends
- g. None

4. Thinking about your responses above, what goals would you have for gifts to the beneficiaries identified in question three?

5. Based on your wealth plan, what size gift do you feel comfortable making?

6. Which of the following features are important to you in choosing how to make the gift(s)?

Select all that apply

- a. Availability of the assets to the beneficiary.
- b. Availability of the assets to my spouse and me.
- c. Whether it will incur gift tax, and if so, how much
- d. Reducing taxable estate
- e. Will the gift increase or decrease my income tax bill?
- f. How much control I can retain over investment decisions
- g. Other

7. Have you made tax-planning gifts in the past?

- a. Yes
- b. No
- c. No but my spouse has
- d. Unsure

8. If you have made previous tax planning gifts, were you satisfied with how the gift worked out in practice after the gift was made?

- a. Yes
- b. No
- c. Partially
- d. Unsure

9. If you were not satisfied, what types of things would you change?

Select all that apply

- a. Named set of beneficiaries was too broad or too narrow
- b. Wish I/we had retained a way to access assets or be reimbursed for taxes
- c. Identity of the trustee or other fiduciary
- d. Income tax treatment
- e. Ability to modify the trust terms
- f. Assets used to make the gift
- g. Types of interests given to the beneficiaries or their access to assets or information
- h. Too complicated
- i. Too many ongoing responsibilities to get the result we planned for
- j. Other

10. Do you have family members or friends who have made gifts in the past? If so, were they satisfied with how the gifts worked out in practice after the gift was made?

- a. Yes
- b. No
- c. Partially
- d. Not applicable or do not know

11. Have you received a gift from a parent or other relative, outright or in trust? If so, were you satisfied with the terms of the gift to you?

- a. Yes
- b. No
- c. Partially
- d. Not applicable or do not know

12. Would you consider any of the following types of gifts?

Select all that apply

- a. Outright gift to individual or charity
- b. Gift to your own private foundation or a donor advised fund at a financial services company that allows you to recommend distributions to charities
- c. Gift to trust for one or more descendants
- d. Gift to a trust for spouse and descendants, whether they are beneficiaries at the same time or where children are remainder beneficiaries
- e. Gift to a trust that pays me an annuity for a period of time and only transfers the remainder to other individual beneficiaries
- f. Gift to a trust that pays an annuity to me or someone I choose with the remainder to charity
- g. Gift to a trust that includes me as a beneficiary along with others

13. What types of flexibility would you like to see built into a trust receiving a gift? (Note, these are generally powers that would need to be granted to someone other than you as the grantor of the trust, and not all options are available for all gift scenarios).

Select all that apply

- a. I would like to include a way to modify the administrative provisions, such as how trustees are chosen or what investments are permitted
- b. I would like to include a way to amend the beneficiaries' interests in the trust, such as who get distributions and when
- c. I would like to include a way to add or exclude beneficiaries
- d. I would like to include a way for me as the grantor to be added as a beneficiary under certain circumstances.
- e. I would like to include a way for me to be reimbursed for the income taxes imposed on me as grantor of a grantor trust. (a grantor trust is one where the income and deductions are passed through to your return, rather than being reported by the trust)
- f. I would like to include a way to sever the trust into separate parts for different beneficiaries
- g. I would like to include a power to terminate a trust early

14. If you made a gift today, how would you expect to feel afterward?

Select all that apply

- a. Pleased:
 - i. To be saving taxes
 - ii. To be helping the beneficiary
 - iii. To be building my legacy
- b. Worried:
 - i. About the complexity of the plan, and about the tasks that will be required on an ongoing basis for the plan to work
 - ii. About giving away too much in general or to a specific beneficiary
 - iii. That future changes to tax laws will eliminate the perceived current tax savings
 - iv. That under future law, this gift will turn out to be a disadvantage
 - v. About not understanding the plan or its impact on my own finances
 - vi. That the plan will not work if my spouse and I divorce
- c. Satisfied:
 - i. That all known or estimated factors have been considered
 - ii. That the gift is one I can afford
 - iii. That by making a lifetime gift, I can see the impact it has on my beneficiaries in a way I could not with a bequest at my death
 - iv. That my plan contains flexibility to respond to future events or changes in law or circumstances
- d. Other:

15. Things you want more information about before making a gift.

Select all that apply

- a. Tax consequences
- b. Beneficiary right to information
- c. Beneficiary access to asset
- d. Who can have investment power or power to direct distributions
- e. Does my wealth plan consider possible stock market decline like occurred in 2008
- f. How much will my children have available to them during my life and after my death
- g. How much will my spouse have available to them during my life and after my death

3

PLAN YOUR GIVING KEEPING YOUR GOALS IN MIND

Looking back at the goals you identified in part 1, list the ways that making a gift now would help reach your goals or hinder you in reaching your goals:

Help reaching my goals

Hinder reaching my goals

Take this guidebook with you when you meet with your wealth advisor to discuss next steps.

The Jewish Home and Care Center Foundation is a non-profit 501(c)3 organization that provides financial support to the programs and services of Ovation Communities: Ovation Jewish Home, Ovation Chai Point and Kavod Terrace to ensure the finest and most dignified services for our residents.

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