

# MAKING DECISIONS ON YOUR OWN

**WHEN SOMEONE CLOSE TO YOU DIES, YOU MAY NEED TO MAKE DECISIONS ON MANY IMPORTANT MATTERS ON YOUR OWN, INCLUDING THE FINANCIAL DECISIONS ASSOCIATED WITH DEATH. THE FOLLOWING LIST OUTLINES SOME OF THESE CRITICAL DECISIONS.**



**The legacy you leave to Arkansas Tech University depends not on the size of your estate, but on the measure of your heart.**

**The funeral.** Unless plans were made in advance, you will need to make burial arrangements. Ask for an itemized written statement of the products and services you have selected before you sign any contract. If your loved one was a military veteran, inquire about possible burial benefits.

**Original copy of the will.** Within a few days of the death, you will need to locate the original copy of the decedent's will. Check with family members or the decedent's lawyer. The original will must be recorded within a limited time after the date of death (typically 30 days) with the county in which the decedent resided.

**Insurance.** Unless the decedent selected the form of payout, the beneficiary can

choose among various life insurance policy options, including fixed payments of interest, a lump-sum payment and installment payments for a length of time. If you have been dependent on auto, health or other forms of coverage of the decedent, you may need to arrange continuing or new coverage.

**Credit cards.** The executor will need to cancel the decedent's credit cards or convert the accounts to the appropriate name. Review outstanding loans, because some may be covered by credit life insurance that will pay off the debt in full.

**Spouse's benefits.** If you are a surviving spouse, you may be eligible for various benefits, such as Social Security, an IRA balance or employee plan payments.

## Remember

A death in the family often requires you to update your beneficiary designations on items such as life insurance, IRAs and other retirement benefits. It may also serve as a reminder to update your own will or prepare one if you have not done so. ■



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## VISIT OUR GIFT AND ESTATE PLANNING WEB SITE!

- **ACCESS** a complete source of ideas and information on estate planning and charitable giving.
- **DISCOVER** how charitable donations can provide payments for yourself and your loved ones.
- **CALCULATE** your benefits with our online gift calculator.



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# HERITAGE

A FINANCIAL & CHARITABLE PLANNING GUIDE

## ACHIEVING POTENTIAL

**R**OBERT AND LISA SHOPTAW MARRIED IN 1975 AND BECAME THE SUCCESSFUL PEOPLE THEY ARE TODAY THROUGH UNIQUE CHALLENGES AND OPPORTUNITIES.

Bob credits Tech business faculty members for giving him a solid foundation for his career that began at Arkansas Blue Cross and Blue Shield in 1970 and led him to being named president and CEO in 1994. Over his 38-year tenure at Arkansas Blue Cross, Bob pursued several additional educational opportunities, including an MBA from Webster University and the Advanced Management Program at Harvard Business School. But, as he approaches his next role as chairman of the board at Arkansas Blue Cross and Blue Shield, he looks forward to having more time with his family.

Lisa completed a BS and MS in nursing at UCA and taught at UCA and UALR for eight years. Her education and experience in the health care field became invaluable when they were blessed with a son and a daughter.

When their son David, now 27, was 16 months old, they learned that he had a blood platelet disorder that has required extensive care throughout his life. The couple believe that he has helped them to live richer, more focused lives. "Special circumstances force you to set and live by your priorities and keep in mind what is most important in life. David's attitude inspires our family and everyone around him to be our best," says Bob Shoptaw.

And achieving potential is what the Shoptaws see as Tech's most important goal. "We believe that everyone should have the opportunity to reach their potential, and an education is the catalyst for that transformation," says Bob Shoptaw.



**Lisa and Robert Shoptaw**

Bob and Lisa enjoy their family (recently welcoming their daughter and son-in-law's baby boy), friends, an active church life and their current involvement with 11 boards. They also love to travel. And Bob's passion for fly-fishing takes him to Alaska and Brazil as often as possible. "We believe that traveling should be a part of education whenever possible," says Bob Shoptaw. ■

# INVEST IN YOUR FUTURE: UNDERSTANDING YOUR ESTATE PLAN



The majority of Americans die without a will. Contact an attorney to help you draft this important document.

## DO YOU NEED TO:

- protect yourself or a family member financially as you age?
- reduce income taxes?
- avoid estate and inheritance taxes?
- prevent the forced sale of family assets such as a farm or business?

**G**OOD INTENTIONS ARE OFTEN SABOTAGED BY PROCRASTINATION AND DIFFICULT DECISIONS. TAKE A MINUTE TO INVEST IN YOUR FUTURE. READ ON TO DISCOVER THE TRUTH BEHIND SOME COMMONLY HELD BELIEFS.

**“I made a will years ago—so that is one thing I do not have to worry about again.”**

A will needs to be reviewed by a qualified attorney on a regular basis. Events such as a move to another state, divorce, death, marriage, the birth of a child or adoption could necessitate changes in your will. Tax laws also change frequently, and your estate plan should reflect the latest changes.

**“I created a trust to save taxes.”**

Many trusts established as part of an estate plan avoid probate, but assets in a revocable living trust are still likely to be fully taxable to you. Because the trust assets are still yours according to the IRS, trust income remains taxable, and the trust assets are subject to estate tax. But, if properly drafted and funded, both a living trust (established during your lifetime) and a testamentary

trust (established at death) can save estate taxes. In either case, for example, a proper trust can minimize taxes if you are married and your combined estates are worth more than the amount exempt from estate tax.

**“I should avoid probate at all costs.”**

Not necessarily. Probate refers to the court process for determining the validity of your will, collecting and disposing assets, paying proper claims and legacies, filing tax returns, and distributing your estate as directed by your will. There is nothing inherently wrong with probate provided your state has streamlined the procedures and settlement costs are reasonable. Of course, probate difficulties may result from a poorly drawn or outdated will, and here the remedy is up to you. ■

## Be Prepared

Do you know where you want your money to go when you're gone? Do you know how to avoid estate taxes? Is your family aware of your plans? Give yourself peace of mind with a well-crafted estate plan. Contact an estate planning attorney to assist you in preparing a plan that will carry out your wishes and carry on your values.

Strengthen your plan by...

- Naming an executor for your estate
- Familiarizing yourself with estate tax laws in your state
- Estimating the amount that taxes on your estate are likely to total at your death
- Deciding which charitable organizations you may want to support
- Discussing it with family members

# PLAYING IT SAFE

## ELEMENTS OF A WILL

## WHAT YOU MAY NEED TO CONSIDER

Your name and legal domicile

Have you moved or purchased property in another state? Which state laws will govern the interpretation of your will?

Revocation of prior wills and codicils

President John Quincy Adams wrote a new will and revoked his prior will “which had been mislaid among his papers.” Do you need to revoke a misplaced will?

Name of executor or personal representative

Is your executor still living and capable of representing you?

Administration expenses and taxes

Do you want your estate or your beneficiaries to pay your estate taxes?

Specific gifts

Do you want to direct items of sentimental value or of special interest to particular individuals?

Residuary estate

Could Arkansas Tech University benefit from what is left of your estate after payment of expenses?

Survivorship clause

If you and your spouse die in a joint disaster, what is the presumed order of death?

Fiduciary powers

What powers do you wish your executor or personal representative to have over the disposition of your property?

Signatures

Signatures, witnesses, notarization—what will be necessary in the state in which you make your will?

### Do you need a financial safety net?

**The challenge:** Jeanette helps support her grandson by contributing to his day-to-day living expenses. Wanting to ensure his future support should something happen to her, Jeanette is looking for a solution that allows her to retain control of her money now.

**The solution:** Jeanette’s advisor suggests she place assets in a revocable living trust, which will be used to support her grandson. With this strategy she can change the terms of the trust, make contributions to it or even terminate it. Because Jeanette retains control over the trust, however, estate taxes will be imposed on the assets at her death.

**The benefits:** Trust assets can be professionally managed in the event of Jeanette’s physical, emotional or mental incapacity. Or, if she were to die, the trust assets would bypass probate—the legal process of validating a will.

**A future option:** When Jeanette is ready to part with the trust assets, and when her grandson no longer depends on them, she can ultimately give the remaining assets to a charitable organization by creating a charitable remainder trust. ■

## Giving Made Easy

QUESTIONS  
AND  
ANSWERS

ABOUT WILLS

The best gift you can give yourself is to have an up-to-date will. The easiest way to support Arkansas Tech University is to include us in your will. For answers to your questions on wills, send for our FREE guide by returning the enclosed reply card.