

Titling and Beneficiaries

If you are ready to scratch that benevolent itch and don't want to disrupt your finances now but would like to pass assets onto the church later in life, there are a few easy ways to do it. The way you title financial assets has a very big impact on the transfer and disposition of those assets. If you own an asset in just your name, for example, Sal Gambuccini's savings account – that account will become part of Sal's estate upon his death. The estate is distributed to loved ones via will – whatever your will says is how it will go, assuming nobody contests (challenges) the will. If you haven't gotten around to writing your will, Jody Rell has already written one for you - intestacy laws – the disposition of assets for those without wills. If you haven't written your own will, write it now, I can assure you hers isn't what you want. Wills are administered by the probate courts, take a long time to unfold and have fees associated with them based on the value of the assets in the estate. There are simpler ways to pass assets by title. If you own an asset with your spouse you have two different ways to title that asset – survivorship or tenants in common. Lets look at a checking account – Sal & Angela Gambuccini, JTWRROS (Joint Tenants With Rights of Survivorship) this means that at ones passing the account is automatically and instantly owned 100% by the other joint tenant, no proceedings necessary, no intervention with courts and the law and best of all, no fees. If you title the same account Sal & Angela Gambuccini, TIC (tenants in common) then upon the passing of one owner, that persons share of the account (they can own any amount from 1% to 99%, it doesn't have to be equal) goes to whomever by instruction of will – court involvement, freezing of account until settlement, fees, aggravation, etc. For accounts you don't want another entity on or cannot put another entity on you can name a beneficiary. Sal's IRA may look something like this, Sal Gambuccini, IRA beneficiary Mason Gambuccini. A beneficiary is similar to a joint tenant, they receive the asset immediately upon completion of a form and certified death certificate. Many assets allow beneficiaries such as IRA's, 401(k)'s, 403(b)'s, Pensions, Annuities, Life Insurance, etc. If you own an asset that doesn't offer a beneficiary, you can put a beneficiary on any account – Sal's savings that is just in his name can have a beneficiary called a TOD (transfer on death) or POD (payable on death) depending on the institution you are dealing with. The account will then look like this Sal Gambuccini, TOD Evangeline Gambuccini. With this titling immediate transfer, no fees, no waiting no legal or courtroom minutia. A trust will accomplish the same thing and will allow for more control, and control after death, but will require legal and accounting costs over its lifetime. Consider naming the church as beneficiary to some of your assets that you would like to donate to God. ☺ If you would like to discuss this or any planned giving ideas further please see Mike Chadwick.