

How to Use a Bucket in Your Estate Plan

Almost everything valuable you own is represented by a piece of paper: certificates of deposit, real estate deeds, and life insurance policies.

These papers have a name at the top which tells who owns them.

If yours is the only name on these papers, should you become incompetent, the conservator court will take control. And should you die, the probate court will take control.

There is a simple plan to avoid court control. Simply put all these papers in an envelope and write in pencil on the envelope, “The Bucket”.

You now have an estate plan which you can carry around with you.

You simply hang onto the handle of your bucket.

But what happens if you become incompetent and drop the bucket? If you don’t become incompetent and drop the bucket, some day you will definitely “kick the bucket”. Either of these situations could cause a problem.

To solve that problem, you need to find someone you trust and enter into an agreement with that individual that, should you drop the bucket or kick the bucket, he or she will pick it up and follow the instructions you have written on the outside of the bucket.

It’s the simplest estate plan you can have. Because you don’t own anything anymore (it is owned by your bucket), should you become incompetent there will be nothing under the jurisdiction of the conservator court. When you die, nothing is subject to the probate court.

You have now placed all of your property in a container which can be handed to someone you trust, should you be unable to hang onto it yourself.

Revocable

Remember, you wrote on “The Bucket” in pencil. If for some reason you are not comfortable with the property in the bucket, simply cross out “The Bucket” on the envelope and write your name on it. Things will be as when you started.

Simple and Confidential

You now have a simple estate plan. You don’t own anything — your bucket owns it. But you control the bucket. You have simply contracted with someone you trust to pick up the bucket if you drop it or kick it.

In most cases, there will be no delays, and costs are substantially reduced. Because you have entered into a private contract with a person you trust, it is confidential.

This bucket can do amazing things. It can provide maximum tax planning. And because it is not “death sensitive,” it can continue after death to provide for the dependency of aged parents or minor children.

When the bucket is no longer needed, it can distribute the property to your personal and charitable beneficiaries.

Our bucket is commonly called a revocable living trust — a modern estate planning tool.



IMPORTANT: IF YOU HAVE A TRUST, READ THIS

Many individuals who have established revocable living trusts will not achieve maximum benefits from the trust because they have not completed their estate plans.

Three elements guarantee maximum benefit from your revocable living trust:

1. The trust must be funded during your lifetime. You probably established your trust to:
 - Provide management in case of incompetency,
 - Avoid probate at the time of death, and
 - Keep your estate plan confidential.

Unless you title all of your property to the trust prior to incompetency or death, these objectives will not be achieved. If your trust is properly designed, there is no reason why you should not title all of your property to the trust.

2. You should have a durable power of attorney, specially designed to transfer any property to the trust that you have failed to transfer at the time of disability. This becomes a safety net.
3. You need a will designed to place any property into the trust at the time of death which has not been transferred during your lifetime. This is commonly known as a pour-over will, and like the durable power of attorney, operates as a safety net.

If you have a revocable living trust and have not transferred your property to it, it's important that you contact your legal advisor



to obtain the correct wording for your title, and make the transfer now.

THE REVOCABLE LIVING TRUST AND CHARITABLE GIVING

The revocable living trust is also an excellent charitable giving tool.

You may wish to make a percentage of your property available to a charitable organization when you no longer need it for your support or for the support of dependent family members, such as minor children or aging parents.

The revocable living trust provides an ideal method of transfer so that your charitable gift will neither be diminished by the costs of probate, nor unnecessarily delayed.

You can integrate your charitable gifts in your overall estate distribution plan. The trust which you use to make distribution to personal beneficiaries can also distribute a percentage of those assets to your charitable beneficiaries. This transfer can be at the time of death, or when family members are no longer dependent.

CONCLUSION

Because we feel it is so important that you consider establishing a revocable living trust as a basic part of your estate plan, we have prepared a Special Planning Report, *The Revocable Living Trust... An Estate Planning Tool You Should Consider*.

Simply email, call, or complete the enclosed insert and return it to our office to receive your copy. There is no cost or obligation.



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Sometimes our friends ask how they can leave a portion of their estate to *Victory In Grace* to reach others with the gospel and good Bible teaching. You can include wording in your will or trust similar to this:

"I hereby give \$ _____ (or ___%) of my estate to *Victory In Grace Ministries, Inc.* for such unrestricted charitable uses and purposes as its governing board may determine."

Victory In Grace is a 501(c)(3) charitable organization.