Back to basics: Reminding clients about wills, trusts, and charitable bequests

August is national Make a Will Month, and the publicity surrounding this designation may prompt your clients to ask you about whether their affairs are in good order. Of course, making sure a client has established an estate plan and executed corresponding legal documents is a priority for any attorney, accountant, or financial advisor who practices in the field of estate planning, tax, or wealth management. Still, it's always helpful to remind clients to keep their estate plans up to date and review their plans with you on a regular basis.

Indeed, despite the many cautionary tales arising out of the Covid-19 pandemic, most Americans do not have a will. Even those clients who do have estate plans in place may not truly understand the difference between a will and a trust (and the reason they still need a will even if they have a revocable living trust). A client also may not understand that a charitable bequest can be part of an estate plan whether the client's main estate planning vehicle is a will or whether it is a trust.

Of the $485 billion given to charity by Americans in 2021, according to *Giving USA*, 9.5% of that giving came from bequests–that's $46 billion. *Giving USA*'s data visualization tool illustrates the ebbs and flows of bequest giving, which has long been a significant component of philanthropy.

Research reveals fascinating psychological factors behind a person's decision to leave a bequest in the first place, which helps to understand the motivation for leaving a gift to a charitable organization in a will or trust. Not surprisingly, altruism has long been one of those factors. Bequests to charity are not a new idea. Examples of high profile estate gifts date back centuries. Some of your clients may be familiar with the bequests of Benjamin Franklin, who established testamentary charitable trusts dedicated to supporting Boston and Philadelphia tradesmen, and George Washington, who left bequests in his will to colleges and trade schools.

Our team welcomes the opportunity to work with your clients to establish bequests to your clients' funds at the community foundation through a will or trust or through a beneficiary designation on a qualified retirement plan or life insurance policy, including providing you with proper bequest language to ensure alignment with your client's intentions. Make a Will Month is also a good time to remind your clients that bequests of qualified retirement plans can be extremely tax-efficient. Funds flowing directly to a client's fund at the community foundation from a retirement plan after the client's death will not be subject to income tax or estate tax.

We look forward to working with you to establish your clients' philanthropic legacies.