



POPULATION
REFERENCE
BUREAU

*Celebrating
75 Years
1929-2004*

PRB Matters

2005

PLANNING FOR TOMORROW

Dear Friend:

As one who has exhibited special interest and commitment to the Population Reference Bureau, you have been selected to receive our new development publication, *PRB Matters*.

Thanks to your involvement we have been able to sustain many critical programs, and now, we are pleased to offer you more opportunities to contribute to PRB in a mutually beneficial manner.

Beyond immediate gifts

Most gifts are made in the form of cash, which is always welcome. However, other forms of giving may enable you to reap benefits for yourself and those for whom you care.

Often, tax savings are part of the benefits you can enjoy. But beyond those, you may be surprised to learn how giving plans may help you solve problems—such as how to ensure a supplemental income for a surviving spouse or parent or how to help cover educational expenses for children or grandchildren.

Some giving methods are quite simple—such as a bequest by will. Others, like trusts, call for more

complex arrangements. Some require the assistance of an attorney, accountant, or bank trust officer.

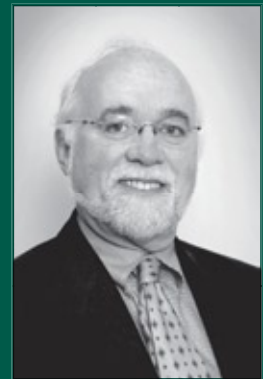
May we help?

Each issue in this series will be devoted to a different gift-planning subject. We hope you will gain information from these pages that will help you in your planning.

If you find you would like to include a provision for the future of PRB, we encourage you to notify us. We can answer questions, suggest memorial opportunities, and work with your professional advisors, if you wish.

Thank you for your involvement, and enjoy *PRB Matters*.

William P. Butz
President



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President

Inside This Issue

- Wills form the foundation of plans
- Reducing the cost of probate
- Keeping up with change
- Provide for heirs and make gifts of a lifetime
- Montague Yudelman recommends supporting PRB—see page 4 for details

TAX POINTERS

- The 2001 Tax Act continues to affect virtually every taxpayer. Gift, estate, and financial plans should be reviewed with your professional advisor.
- You can now leave up to \$1.5 million to heirs free of federal estate tax. Beginning January 1, 2006, the amount will increase to \$2 million.
- Retirement accounts may be taxed more than other assets.
- Unlimited amounts may be left to a spouse tax free.
- Full tax rates apply at the death of the surviving spouse.
- There is no limit to the amount deductible from federal estate tax for charitable gifts.
- It is possible to provide for loved ones, make charitable gifts, and reduce or eliminate estate taxes.

Your Will . . . the First Step in the Planning Process

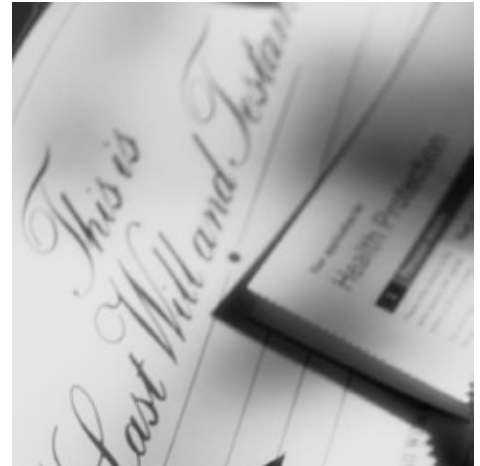
As in the case of other important projects, beginning the estate planning process with the correct tools in mind can make all the difference in the outcome. Experts frequently recommend beginning with a will, the planning vehicle that typically forms the basis of even the most complex estate plans.

Exercise your rights

In a society where private ownership of property is allowed and encouraged, the right to decide who should eventually receive your property is a vitally important responsibility. The “last will and testament” has been carefully designed over centuries to be a primary vehicle for use in directing future disposition of your property.

A flexible instrument

Wills are extremely flexible. Through your will you can provide others with particular sums of money, certain properties, or percentages of your estate. You can mix methods as well. For example, you may choose to leave exact amounts to certain heirs while directing that others split the remainder of your assets in percentages you determine.



Coordinate with other plans

Remember that your will by itself may not determine who will receive many of your assets. One of the biggest mistakes made is to ignore the impact of other ways to distribute property to heirs.

To illustrate, if you own real estate jointly with another person, your will may have little or no effect on who will ultimately own the property. The same is true for proceeds from life insurance policies and retirement plans. A beneficiary designation completed years ago could determine who receives the benefits, *not* the terms of your current will.

For this reason and others, you should only undertake revision of your will with competent advice in connection with a thorough review of all of your assets and the forms in which they are held.

Reducing the Cost of Probate

Here are a few ways to help accelerate the distribution of property while minimizing expenses associated with the probate process:

- **Have a valid, up-to-date will.** Make sure your executor (in some states known as a “personal representative”) is still capable and willing to serve.
- **Consider a living trust.** Many people have found living trusts to be a welcome addition to their plans. Your attorney, trust officer, or other qualified professional advisor can provide more information about the usefulness of such trusts for you.
- **Carefully review the beneficiaries of your life insurance policy(ies) and retirement plans.** Make certain the persons named to receive funds still reflect your wishes. Talk to your life insurance professional, your employer’s employee benefits manager, or others who may manage your retirement plans.
- **Review joint ownership.** Joint ownership of real estate, bank accounts, brokerage accounts, and certain other types of property can be a good way to minimize the delays and fees associated with probate. But beware of overuse of joint ownership, especially if you believe your estate may be subject to tax.

Planning for Incapacity

A durable power of attorney can name the person or persons you wish to handle your financial affairs should you be unable to do so, or if you simply prefer that others manage your assets.

A living will can record your wishes about extraordinary medical care and life-support measures.

Changing With the Times

Whether you realize it or not, your estate plans may have changed.

Changes in your family, your charitable priorities, state or federal estate tax law, or the performance of the economy can make it necessary to revise even the most well-considered plans. Expansive provisions of the 2001 Tax Act are one reason every estate plan should be reviewed.

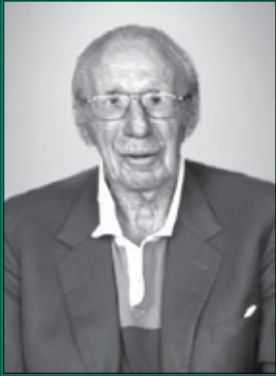
Importance of regular updates

Routine reviews of your estate plans with your attorney and other advisors are the best way to make sure your arrangements keep up with the times. For example, a will drawn 10 or 15 years ago may include provisions suited to a smaller estate. You may be surprised at how much the value of a home, stocks, bonds, and other assets has grown over time on account of inflation and investment gains. These increases could have even boosted the total value of your estate above the level at which federal estate tax begins to be due. This could call for important changes in your will and other estate plans.

Assets can drop in value as well. This can be another reason to make certain that your wishes are still reflected in light of current conditions.

Do These Apply?

- Family changes
- A move to another state
- Tax law changes since last review
- A change in wealth



Montague Yudelman

An Interview with Montague Yudelman

Montague Yudelman has been asked to serve on PRB's Board of Trustees on several occasions since he first joined in 1986. He always says "yes." He currently serves as a member of the PRB Executive Committee and is also a former Chairman. Monty has known about our programs and publications for many years, and notes that he is most impressed with the unmatched reputation for objectivity that anything associated with PRB has.

In a recent interview, Monty recalled that he was asked to join the PRB Board of Trustees when he was working at the World Resources Institute. Despite many commitments and interests, he was excited by the opportunity to serve on PRB's board because he knew that PRB's research and publications were respected throughout the world for their reliability and usefulness.

As an American citizen who was born in South Africa, Monty has been involved in research, teaching, advising, and directing efforts in agricultural and social development. Along with his wife Sally, he has devoted his career to improving the lives of men and women in developing countries.

His annual contributions to PRB have often supported staff development programs and related initiatives. To help ensure that PRB's work continues well into the future, Monty has included PRB in his estate plans. PRB benefits from the long-term support and hard work of committed volunteer leaders like Monty Yudelman. For others who are committed to population, development, health, and environmental issues, his recommendation is that there is no better organization to support than PRB.

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