



**CHI Mercy
Health**

Mercy Foundation



Estate Planning Guide

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Introduction

Thank you for your interest in the reflective and purposeful journey that can become your Estate Plan.

As part of the CommonSpirit Health network, Mercy Foundation, Inc. makes the healing presence of God known in our world by improving the health of the people we serve, especially those who are vulnerable.

Working together with CommonSpirit Health's mission, we are improving the health of the people we serve. Mercy Foundation, Inc.'s vision is a healthier future for all of us, driven by the values of Compassion, Inclusion, Integrity, Excellence and Collaboration.

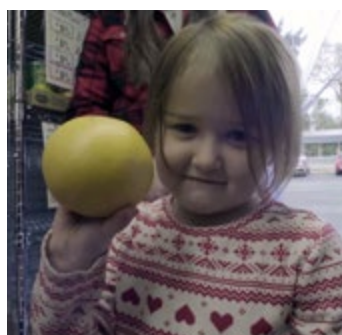
As you now focus your own long-term vision, thank you also for considering a charitable commitment to Mercy Foundation, Inc. within your estate plan. Your future support will help the Foundation advance healthy equity for all generations to come.

Estate Plans can become a life plan where you provide for the people and organizations that are most important to you.

LET'S GET STARTED

Do you really need an estate plan?

The simple answer is “yes,” unless you are willing to relinquish to others the decisions about your family, your bank accounts, your investments, your care, and anything else important to you.



Putting an estate plan in place requires effort. But like those overwhelming projects you may confront at work and in the home, once done you will feel a sense of accomplishment and even relief. Most importantly you will have given your loved ones the gift of stability should an unanticipated event make you absent from their lives. There are several benefits to making an estate plan:

- ▶ **Peace of Mind** — an estate plan and documents will help guide your family if they need to make difficult decisions about your care and provide the authority they might need to do so, and to know what to do when you are gone. Consider your plan a final gift to your family and other loved ones at the very time they need it the most. It is especially important if you have minor children, as it will name a guardian to care for your children and in many instances establishes a trust to help ensure their financial well-being.
- ▶ **Make the Distributions You Want** — without an estate plan of some type, the laws of your state determine what happens to your property. This is called *intestate succession* (property inheritance when there is no will). Very likely the distributions it dictates will NOT be the ones you would have chosen. And no state distribution law provides for gifts to friends or charities, or makes provisions for your pets.
- ▶ **Financial Wisdom** — a good estate plan will help streamline the distribution process, minimize administrative costs, and possibly reduce taxes that might otherwise be owed. That means you leave the most you can to the people you love and the causes you care about.



Key Elements of an Estate Plan

DOCUMENTS RELATED TO YOUR FINAL WISHES

- **Will.** A valid will is generally typed, dated, and signed by you, as well as two legally competent witnesses. States differ as to whether a handwritten will, with or without witnesses, is valid.
- **Revocable Living Trust.** This can be used instead of a will as the main document to distribute your property. You might hear it referred to as a “living trust” or “RLT.” The trust is created while you are living, most often people serve as their own trustee, and the power to change and even revoke it can be retained. The living trust becomes **irrevocable** upon your death. A living trust requires that you actually transfer your property into it for it to be effective.

There are pros and cons with each approach, and an estate planning attorney can advise you as to which is best for your situation.

Note: Even if you decide upon a revocable living trust, you should still have what is called a “pour-over” will. It catches any property that was, intentionally or inadvertently, left out of the trust during your life and is not transferred in another way. While this property will still need to go through probate, it will eventually be distributed according to your trust instructions instead of being distributed under state law provisions.

- **Beneficiary Designations.** These are the forms you fill out when you open a bank or stock brokerage account, establish an IRA or other type of retirement plan, purchase a commercial annuity or life insurance policy. They indicate who will receive whatever remains upon your passing (or the death benefit in the case of life insurance).
- **Form of Ownership.** Jointly owned property that is “jointly owned with right of survivorship” passes directly to the surviving joint owner regardless of what the will or living trust might provide. This is most often seen with real estate but can involve other types of property as well. If you live in a community property state, your half of the community property will pass automatically to your spouse.

These latter two means of passing property can have a profound impact on how your overall estate is distributed and should be considered as part of any coordinated plan.

DOCUMENTS PROVIDING FOR PHYSICAL OR MENTAL INCAPACITY

- **Power of Attorney (POA)** for financial matters. This document grants to someone you trust the ability to act on your behalf for a variety of potential transactions and responsibilities. When the POA becomes effective, the extent of the authority granted can be tailored to your particular desires.
- **Power of Attorney (POA)** for health care decisions. This document appoints someone to make decisions for you regarding medical treatment if you are not able to do so. It allows you to specify who is in charge of making critical treatment decisions and, perhaps more importantly, who does not have that authority.
- **Health Care Directive.** Sometimes referred to as an “advance directive” or “living will” (not to be confused with a living trust), this specifies the type of end-of-life treatment you want to receive. It is a directive to the physicians treating you and for the person holding your Health Care Power of Attorney.
- **Physician’s Order for Life Sustaining Treatment (POLST).** This allows for your doctor, working with you, to document for the benefit of health care providers your wishes regarding resuscitation and other life-sustaining procedures.



If you have any questions about our estate planning guide, or you would like to learn more about how your gift can help Mercy Foundation, Inc., please contact us at:

- call **541.677.4818**
- email **info@mercygiving.org**
- website **www.mercygiving.org**

Steps to Creating an Estate Plan

Depending on your situation, creating an estate plan doesn't have to be overly difficult or expensive. Here are some practical steps to get you started:

1. Take inventory of what you own. List all of your assets and their approximate value. Include pertinent information about each asset. There is a section later in this booklet for just this purpose.
2. Make a list of tangible personal property, such as jewelry, dishes, books, furniture — items other than real estate and investments — and who is to receive each item upon your passing. You may want to maintain this as a separate list rather than designating this in your will, for maximum flexibility.
3. Make a list of all your electronic devices, along with the passwords needed to access the information. Then make a list of all digital accounts with a coordinated list of passwords. Place the lists in a secure place known to your fiduciary and possibly one other trusted individual. Give written instructions for what you want to happen to your social media accounts. Do you want them to continue or to be taken down? Make sure your power of attorney gives your fiduciary the right to access your electronic devices and digital accounts.
4. Think about your goals for your estate plan, for example, who you want to benefit, how you want to treat each of your children, any special needs that you want to provide for, what happens if you and your spouse both pass away close in time, and if there are charities or organizations you want to remember. Your attorney will most likely ask you about goals you didn't consider, but at least you'll have a head start on those that are most top-of-mind.
5. Consider whom you would like to name as your agents - e.g., the executor of your will or the trustee of your trust, the person to hold your power(s) of attorney - and gather pertinent information about them. There is also a section in this booklet for that purpose.

6. Go see an attorney, preferably one who specializes in estate planning. If you don't have one or know of one to call, ask us for referrals or check with family, friends, or co-workers for recommendations.
7. Follow through on whatever actions are decided upon in the meeting with your attorney. Rely on the advice and recommendations of your attorney and other professional advisors as you make your decision and prepare documents including notarizing appropriate documents.
8. Share your plans with others. Key documents are of little or no value if no one knows what they say or where to find them when they are needed. This is especially true for the person(s) you have designated to serve as your personal administrator/executor under your will or the trustee of your living trust. It's also important to give loved ones at least a general sense of what to expect, so that there won't be surprises later on.
9. Rest assured that you have made good decisions and have a plan in place.



Consider Your Charitable Legacy

You may have charities that you believe in strongly, and you may have supported these organizations throughout your lifetime. Making a gift provision to one or more charitable organizations in your estate can be a natural extension of that support. You might be surprised at how much you can leave for the personal and other family goals you can achieve with a charitable gift.

Bequest. This is a gift made through your will or living trust. You can leave a specified amount of money, a particular piece of property, or all or a portion of your estate (what remains after your final expenses, debts, and specific gifts are paid). You can also make such a gift contingent. A contingency ensures your wishes are carried out even though your circumstances may have changed since you wrote your will or living trust.

Beneficiary Designation Gift. Just as you designate individuals to receive certain assets directly as your named beneficiary, you can name a charity to receive all or part of the asset. This is most commonly used with IRAs and other retirement plan assets and life insurance policies, but it can also work with assets such as checking and savings accounts, brokerage accounts, and commercial annuities.

In addition to leaving a final legacy, bequests and beneficiary designations have the advantage of being flexible (give as little or as much as you like) and revocable (generally they can be changed at any time), and perhaps most importantly, they leave the assets under your control should you need them during your lifetime.

Bequests and beneficiary designation gifts are fully deductible from your estate, and there is no limit as to how much can be deducted.



Leaving a Legacy to Mercy Foundation, Inc.

IF YOU WISH TO LEAVE A BEQUEST TO MERCY FOUNDATION, INC., THE PROCESS IS RELATIVELY SIMPLE.

As you consult your attorney on appropriate wording to reflect your own goals and intentions for Mercy Foundation, Inc., be sure that our full legal name and federal tax identification number appear in all final documents. The following sample language incorporates Mercy Foundation, Inc.'s legal designation:

“ I give to Mercy Foundation, Inc., an Oregon not-for-profit, 501(c)(3) tax-exempt corporation having a principal place of business on 2700 NW Stewart Parkway, Roseburg, Oregon 97471, tax identification number 93-6088946, the sum of _____ dollars (\$_____) or (_____% of my property) or (specific property), to be used for the general purposes of Mercy Foundation, Inc. (or a specific purpose). ”

TYPES OF BEQUESTS

Specific Bequest: Mercy Foundation, Inc. receives a specific dollar amount, or a specific piece of property. This is one of the most popular forms of bequests.

Residuary Bequest: Mercy Foundation, Inc. receives all or a stated percentage of an estate after distribution of specific bequests and payment of debts, taxes and expenses.

Contingent Bequest: Mercy Foundation, Inc. receives all or part of the estate under certain specified circumstances, such as the passing of a spouse.

Unrestricted: This type of gift allows Mercy Foundation, Inc. to use it for its general purposes. An unrestricted gift is very useful to Mercy Foundation, Inc. because Mercy Foundation, Inc. will have the flexibility to put the gift to the best possible use at the time it is received.

Restricted: A restricted gift is given to Mercy Foundation, Inc. with instructions for a specific purpose, such as support for a special project or program that is important to you. Please consult with our office prior to establish your restrictions to ensure we are able to carry out your wishes.

Essential Planning Inventory

Essential Documents

- Will
- Letter of instruction
- Living trust documents

Marriage and Divorce

- Marriage license
- Divorce papers

Proof of Ownership

- Housing, land and cemetery deeds
- Escrow mortgage accounts
- Proof of loans made and debts owed
- Vehicle titles
- Stock certificates, savings bonds and brokerage accounts
- Partnership and corporate operating agreements
- Tax returns

Bank Accounts

- List of bank accounts
- List of usernames and passwords
- List of safe deposit boxes

Health Care

- Personal and family medical history
- Durable health care power of attorney
- Authorization to release health care information
- Living will

Life Insurance and Retirement

- Life insurance policies
- Individual Retirement Accounts
- 401(k) accounts
- Pension documents
- Annuity contracts

Electronic Assets

- Current banking and electronic passwords in a secure form for your heirs (banking, mortgage, retirement accounts, trusts, email, social media, etc.)

Frequently Asked Questions

Do I need to have an estate plan?

Yes. Regardless of the size of your estate, you want to ensure that what you have will go to those you love and care for and that your wishes are carried out. But a good estate plan does far more than that. It cares for you as well as the things you value.

An estate plan grants a power of attorney for financial and health matters should you become incapacitated and states your desires regarding medical care. These documents become a last expression of what you have valued in your life, indicated through a personal statement and by what you leave to whom. By being thoughtful and organized about your affairs, you will have left a final, loving gift to your family and organizations you care about.

Do I need to see an attorney?

Yes. Estate planning is a complex area of the law and it is unwise to rely on a one-size-fits-all solution. This is especially true when you have a combined family. While there is a cost involved in preparing your plan, it is modest compared to the value of having appropriate arrangements for your family, minimizing probate fees and costs, and possibly saving state and federal estate taxes.

How often should I update my plan?

It is a good idea to update your plan every few years. Some people have a periodic check-up with their attorney. Certainly whenever there is a significant event in your life, such as the birth of a child or grandchild, sale of a business, retirement, or passing of a spouse or other loved one, you should review your plan for necessary changes.

What if I have a plan but want to change one thing?

If your plan is current, it is easy to make a change or two, such as adding a charitable beneficiary. Your attorney can prepare an amendment to your will or to your revocable living trust. Many times, this can be done quickly and involves only one or two pages added to your existing will or revocable living trust.

What should my plan include?

A complete estate plan consists of a will or revocable trust, financial power of attorney, health care power of attorney and a living will. Not everyone will want or need each of these, however, so you should work with your lawyer to determine which documents will be most suited to meet your goals.

**The information provided in this booklet is offered solely as general education information and is not intended to be a substitute for professional estate planning or legal advice. Because the laws of each state vary and your own circumstances are unique, you should seek the advice of your own attorney, tax advisor, and/or financial planner before deciding on a course of action and creating your estate plan.*