

The GIFT PLANNER

INVESTING IN TOMORROW'S CHURCH

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Estate Planning: Advice from two experienced professionals



John Lueken

Planning your estate may seem like a daunting task. It involves thinking about your mortality, the guardianship of your children if you can no longer care for them, and your medical wishes should you become incapacitated. But if you don't properly plan your wishes while you are capable, you may have no say in how your estate is handled upon your passing.

A lot of hard work and sacrifice goes into building wealth, so it is important to put time and care into making an estate plan.

We consulted two professionals, a financial advisor and an estate



Doug Kraft

planning attorney, for their perspectives on things to consider when drawing up an estate plan.

John Lueken has been a practicing attorney at Dentons Bingham Greenebaum in Louisville, KY, for over 30 years. He is the chairman of the firm's estate planning department and co-chairman of Denton's trusts, estates and wealth preservation national practice group.

Doug Kraft has been working with The Madison Group at Morgan Stanley in Louisville, KY, since the year 2000. He is a Certified Financial Planner™ and serves as Senior Vice President,

Financial Advisor and is a Senior Portfolio Management Director as well as a Family Wealth Director.

Q. *How would you describe a typical estate plan and what are its most important elements?*

John: An estate plan lays out what you want to happen should you become incapacitated or upon your death.

John's estate plans always begin with a will. "My typical plan consists of a relatively simple will which pours into a revocable trust. The trust serves as the engine of the estate plan and keeps its terms private after death," he explains.

Unlike a will, trusts are not public record. Revocable trusts can be altered during one's lifetime. His plan also includes disability planning such as a power of attorney, health care surrogate designation and living will declaration.

John continues, "It often includes help with proper titling and

Continued on next page



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Rt. Rev. Kurt Stasiak, OSB
Archabbot of Saint Meinrad

Dear Friends,

Greetings from Saint Meinrad. In this edition of The Gift Planner, we hear from two of our good friends about estate planning. John Lueken is an estate attorney and Doug Kraft is a financial planner. They provide insights into the process from each of their expert perspectives.

Their interviews provide helpful advice on how to approach the estate planning process. I hope you will find this beneficial, whether you have an estate plan, are in the process of putting one together, or are simply wondering if you should consider an estate plan.

May God continue to bless you abundantly,

+ Kurt Stasiak, OSB

beneficiary designations for assets such as retirement plans and life insurance policies." Wills don't govern who will receive your retirement plan or insurance policies, so it's important to properly name beneficiaries for all assets.

Q. *What is the primary advantage of estate planning for an individual?*

John: The advantage is twofold: "First, making clear what your wishes are regarding your legacy and, second, providing the legal roadmap to accomplish making those wishes a reality."

If a person passes away without an estate plan, extra stress is put on the family. The family might not know the deceased person's wishes and the courts are left to make decisions that the person possibly would not want.

Q. *What is the biggest hurdle most people face in putting together an estate plan? How is that hurdle overcome?*

Procrastination is one of the most common reasons for not making estate plans. Most people don't want to think about their mortality and it's an easy task to put off.

Doug: "It might be easy to procrastinate when it comes to an opaque topic such as planning for your financial future and maybe even more so when considering a comprehensive estate plan," says Doug. "A good way to counter this tendency is by starting small. Take the small but productive step of scheduling an initial consultation. Simply beginning the process to develop a basic plan today is almost always better than having no plan at all."

John: Some people get bogged down trying to guess what everyone's future reaction will be to their estate plan after their death, so they don't want to make any hard decisions today.

"Once you view an estate plan as a fluid process that can and should evolve over time, and not as simply a 'one and done' endeavor, you become more comfortable putting a plan in place now that you know will likely grow and change during your lifetime," he says.

Q. *What is the advantage of retaining a financial advisor/estate attorney to help put together an estate plan?*

John: Preparing an estate plan requires specialized knowledge of tax laws as well as legal knowledge. People can write their own wills, but problems are often found.

"For example, words and phrasing that might appear straightforward in everyday language often have completely different meanings when used in a will or trust," he explains. "Such issues often lead to unintended tax consequences as well as quarreling among potential beneficiaries as to the intended interpretation."

Typically, financial advisors have more routine interaction with clients than attorneys because they are helping clients plan wealth while living for retirement and for their children's college. A financial advisor often can identify legal needs of a client and suggest an attorney, accountant, insurance advisor or other professionals be consulted.

Doug: “A trusted advisor can help a family or individual gain a better understanding of their present situation, explore their unique opportunity set and choose a path forward, helping them achieve better results than if they had ‘gone it alone,’” he says.

Q. *How do the roles of estate attorney and financial advisor complement each other?*

Doug: Estate planning is a collaborative process. Typically, at least one of the advisors (accountant, financial advisor, estate attorney, insurance specialist) has had a pre-existing relationship with the client. In this situation, the advisor with an established relationship understands the client’s values and objectives and is more capable of helping the other professionals move along the “learning curve” as to the client’s unique needs.

Doug says it’s about knowing and respecting each professional’s expertise. “It is helpful to have the varying viewpoints of advisors wearing ‘different hats’ in fulfilling specific roles for the client’s advisory team,” he explains. “The team effort typically leads to better results than simply working with someone in isolation. I find that when the financial planner and estate attorney work together, the client really benefits from that synergistic relationship.”

John: Echoing Doug’s remarks, “I have found that the clients who receive the best outcomes are often those where their professional advisors all communicate and collaborate with each other.”

Q. *Any last words of advice for someone looking to put together an estate plan?*

John: “Each estate plan is as unique as the person for whose benefit it is being drafted,” says John. “No two people are exactly the same, nor do they have the same background and circumstances. Therefore, it is important to write your estate plan to leave your legacy in a way that makes you happy and gives you peace.”

Doug: He advises clients to “ask yourself, ‘why’? Why are you doing this? What do you value and cherish the most? How do you want to best utilize your limited time, energy, and financial resources to best support and positively impact the people and causes that you find to be the most important?”

“If you can take some time to really get introspective and focus on being intentional about matching your allocation of time and resources with your faith and values, and then work to develop a plan that accurately reflects that aim, you will have accomplished something meaningful.” ♦

Free Guide: helps you begin your estate plan

Creating an estate plan is important for several reasons:

- You can ensure that your loved ones will be cared for in the way you wish, whether through a gift from your assets or through instructions regarding their well-being.
- It gives your loved ones the peace of mind knowing that when you pass on, your intentions have been documented.
- It allows you to distribute your assets in the time and manner you wish.
- You can take advantage of tax-minimizing techniques that can increase your family’s security, both now and in the future.
- Through legacy gifts, you can support your areas of interest without parting with any assets during your lifetime.

To help you get started, we are offering a complimentary copy of Saint Meinrad’s *Estate Planning Guide*. The information in this guide is designed to help you successfully plan your estate to meet your personal wishes and objectives.

Please email:
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with your name and mailing address to get a free copy. Include “Estate Planning Guide” in the subject line.

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