

The Purpose and Importance of Wills

LESSON DESCRIPTION (Background for the Instructor)

In this lesson, students will learn about the importance of wills as an estate planning tool and various decisions related to wills that need to be made (e.g., choice of executor and guardian). Wills are considered a “civic financial responsibility” because they proactively make provisions for a deceased person’s loved ones rather than leaving decisions (e.g., distribution of assets and caregiver for minor children) unsettled.

The lesson includes five activities that instructors can select from. In these activities, students will:

- ◆ View the video *Why Is It Important to Have a Valid Will in Place?* and answer debriefing questions
- ◆ Play the 10-question game *True or Trick?* to identify myths about wills
- ◆ Create an infographic about wills (e.g., benefits, cost, key decisions, sections of a will)
- ◆ Complete a *Web Quest* to identify what happens when people die intestate (i.e., without a will)
- ◆ Complete the *Who Would I Choose?* activity to identify their choices for executor and guardian roles

The lesson also contains 10 assessment questions (5 multiple choice and 5 True-False), learning extensions (i.e., suggested learning activities beyond the scope of the lesson plan), and references and resources.

INTRODUCTION (Background for the Instructor)

Very few documents that people sign are as important as a will (a.k.a., last will and testament). A will is a legal document that states how people want their property divided and who they want to handle their personal affairs after their death. Without a will, state intestacy laws- which vary from state to state- determine who will receive a deceased person’s assets. With a will, people can make decisions in advance:

- ◆ To whom, how, and when assets (e.g., financial accounts and personal property) will be distributed
- ◆ An executor (i.e., a person or financial/legal professional) who will manage the distribution of assets
- ◆ A guardian to take care of minor children in the event that both biological parents die
- ◆ Strategies to reduce or eliminate federal/state estate taxes (i.e., tax on the wealth of a deceased person)
- ◆ Gifts to charitable organizations upon the death of a deceased person (i.e., testamentary gifts)

Wills should be updated as circumstances change (e.g., marriage and divorce). Having a will prepared is a good way to establish a relationship with an attorney. Unlike lawsuits and divorces, where there are often stress and bitter feelings, will preparation is a good way to meet an attorney in a non-adversarial situation.

Among the items likely to be included in a will are:

- ◆ Name and address of the person making the will (called the testator)
- ◆ Date that the will was signed and a revocation of all prior wills
- ◆ A list of beneficiaries (i.e., people designated to receive assets) and the type and amount of assets given
- ◆ Specifications about the timing of bequests (i.e., assets left to others via a will)
- ◆ The appointment of an executor and a guardian for minor children
- ◆ The signature, name, and address of at least two witnesses

A major decision in a will is naming a guardian for minor children. Many parents postpone writing a will because they don't know who to name or the two parents disagree in a stalemate. A guardian does not have to be a family member (i.e., blood relative). Some people name close friends as guardians instead. A key factor is the maturity and time availability of potential guardians and how they relate to children.

There are two primary criteria for an executor. The first is a person who is organized and efficient. The second is geographical convenience, if possible. Naming multiple executors (e.g., four adult children) can be cumbersome and time-consuming (e.g., needing to get everyone's signature on documents). Many people do this, however, so as not to "show favorites" among their children. A frank discussion, instead, could avoid this dilemma.

Communication about items in a will is very important. This includes discussing thoughts and preferences with both family members and an attorney. There are often ways to handle things if a person's wishes are known. For example, trust funds can be set up for beloved pets based on their actuarial life expectancy. Persons designated to be a guardian and executor should always be asked first so there are no "surprises" following a testator's death. So often in popular movies (e.g., *Manchester by the Sea*, *Raising Helen*, *Baby Boom*), guardianship comes as a total surprise to a person designated to serve in this role.

People who die without a will (intestate) don't have a voice in how their assets are distributed or who takes care of their minor children. Their state may or may not do what they would have wanted. Not having a will leaves a lot to chance. When people die intestate, their local court system will appoint an administrator for their estate. That person will most likely, but not necessarily, be a family member and must be bonded until the estate is settled.

Bonds are required by county courts in New Jersey for persons appointed to handle a deceased person's estate. The purpose of bonds is to assure that all debts left by a deceased person are paid before assets are distributed to the deceased's heirs. In other words, to assure that assets of a deceased person are not misused. Bond amounts are set by the court and are based on the value of a person's estate (i.e., money and property owned by people at the time of their death). Not surprisingly, bond premiums rise with the amount of bonds purchased (e.g., \$10,000 vs \$500,000).

Wills should be written, or at the very least, reviewed, by an attorney to avoid possible complications or challenges. The fee for having a will prepared should not be a major roadblock. Charges vary from \$300 to \$600, on average, for a simple will to \$1,000 or more for a complete estate planning package of legal documents (i.e., will, living will, and power of attorney). Whatever the cost, relatively few dollars spent upfront can save a family heartache and thousands of dollars of unnecessary administrative expenses later. The fee for bonding an administrator alone can be considerably more than the cost of preparing a will.

The phrase "time is money" can certainly apply to the process of preparing a will. People often pay a lawyer's hourly rate multiplied by the number of hours it takes to prepare their document. This cost may be able to be lowered by going to an attorney's office prepared and bringing the following information:

- ◆ Names and addresses of the proposed executor and/or guardian and persons designated to serve as alternates for these roles
- ◆ A complete list of the names, ages, and addresses of family members
- ◆ Information about previous marriages and divorces
- ◆ A net worth statement (i.e., the value of assets minus debts)
- ◆ Names and addresses of persons and/or organizations designated to inherit assets
- ◆ A list of items intended for each beneficiary that are not assets with previously designated beneficiary designations (e.g., life insurance and 401(k) plans) or joint survivorship arrangements

Wills should be self-proving in accordance with New Jersey law. With a self-proving affidavit, wills are witnessed by two people and notarized at the time of signing so it is not necessary to locate the witnesses (often a law firm's clerical staff) years later at the time of probate. Probate is the court-supervised process of gathering and distributing a deceased person's assets, first to creditors and then to heirs (inheritors).

Once a will is completed, signed, and witnessed, it is official. The original should be kept in a safe place such as an attorney's vault or a fireproof box or personal safe at home. A safe deposit box can be problematic unless the box is jointly owned with survivors that are authorized to access it. Otherwise, banks may require a court order to access the safe deposit box of a deceased person.

One or more trusted individuals should know the will's location. Otherwise, if a will cannot be located, a person may be presumed to have died intestate.

After a will is prepared, it shouldn't be tucked away and forgotten. Instead, wills should be reviewed regularly and revised as needed for changes in marital status (e.g., marriage and divorce), family size (e.g., birth of a child or grandchild or adoption), state of residence, substantial changes in financial status (i.e., increases or declines in net worth), death of a designated executor or guardian, and changes in state or federal estate tax laws.

Two common errors that people make with respect to wills are failure to draft a will and failure to revise it. As noted above, without a will, deceased persons' assets are distributed according to state intestacy statutes. This means that spouses, children, and/or parents are designated as beneficiaries in most cases, depending on specifics of each case. Without a will, it may be impossible to make bequests to unmarried cohabitants, siblings, or charitable organizations because state intestacy laws do not allow for this.

Wills are not just for the "rich and famous." Anyone with assets and/or minor children should have a will.

OBJECTIVES

Students will be able to:

- ◆ Describe the purpose and importance of a will.
- ◆ Describe what happens when someone dies without a will (intestate).
- ◆ List key pieces of information typically included in a will.
- ◆ Identify true statements and myths about wills.
- ◆ Think critically about who they would personally name in a will to serve as their executor or guardian.

NEW JERSEY PERSONAL FINANCIAL LITERACY STANDARD

- ◆ Standard 9.1.12.F.4: Summarize the purpose and importance of a will.
See <http://www.state.nj.us/education/aps/cccs/career/FLFAQ.htm#gradcredit> and <http://www.state.nj.us/education/cccs/2014/career/91.pdf> for information about Standard 9.1

TIME REQUIRED

45 to 180 minutes (depending upon student progress and content depth and number of activities used)

MATERIALS

- ◆ YouTube Video (2:21): *Why Is It Important to Have a Valid Will in Place?* (Turnbull Hill Lawyers): <https://www.youtube.com/watch?v=uYCJAOI51C0>
- ◆ *Why Is It Important to Have a Valid Will in Place? Debriefing Questions* activity handout
- ◆ *True or Trick?* activity handout
- ◆ *Infographic Instructions Step-By-Step* handout
- ◆ *Infographic Story Board Template* handout
- ◆ *Web Quest: What Happens When People Die Without a Will?* activity handout
- ◆ *Who Would I Choose?* activity handout
- ◆ *Wills and Estate Planning Quiz (ASSESSMENT)*

Teachers are encouraged to use as many of the student learning activities as time permits to provide a fuller understanding of wills and what happens when people die without one. The activities can also be used for extra credit assignments, homework, or after-school activities.

PROCEDURE

1. To begin the class discussion about credit counseling, ask students to describe what the [phrase](#) “Where there’s a will, there’s a way” means to them.

Answers will likely vary. Students will probably describe meanings invoked by the words willpower, determination, tenacity, and persistence; i.e., if you are determined enough to do something, you will figure out a way to get it done against all odds. People with this mindset can push past obstacles that are in their way and achieve their goals.

Then note that, with a play on words, where there’s a will [this time, meaning will, the legal document], there is also a way...a way to make sure that assets (everything that a person owns) are distributed as people desire after they pass away. Wills also designate key people and/or professionals (e.g., an attorney) to assist with the distribution of assets (executor) and the care of minor children (guardian).

2. **Activity 1:** Distribute the *Why Is It Important to Have a Valid Will in Place? Debriefing Questions* activity handout. Then show the YouTube video *Why Is It Important to Have a Valid Will in Place?* and debrief the following questions with students:

Why do young adults procrastinate in preparing a will?

As the video notes, many young adults are busy having fun and building their careers in their 20s and early 30s. There is also a tendency to think that you are “invincible” (i.e., very unlikely to die) when you are young and healthy. This mindset makes it very easy to postpone the preparation of a will.

Why are older adults (age 50 and older) more likely to prepare a will than younger adults in their 20s and 30s?

They are closer to the end of their life and may not feel so “invincible” any more. By age 50, some people may have “health issues” (e.g., diabetes or a cancer scare) or had friends their age pass away.

Why do you think an estimated 55% to 65% of Americans don't have a will?

Reasons could include pure procrastination, arguments with a spouse about the choice for a guardian for minor children, fear of the cost of preparing a will, superstition about dying shortly after preparing a will, feeling that wills are for "old people," and not knowing how to find a lawyer to prepare a will.

As shown in the video, why can the death of a friend prompt someone to prepare a will?

The death of a friend or family member, especially someone close in age to them who dies unexpectedly from an accident, has the effect of making people realize "If it can happen to my [friend, brother, co-worker, etc.], it could happen to me." Stories like this make people feel less invincible and more motivated to prepare a will so that there is a plan in place to distribute assets to their loved ones.

How can writing a will provide peace of mind?

People know that they have developed a plan to proactively distribute their assets to the people and/or organizations that they care deeply about. They have not left any "loose ends" for family members to have to deal with or fight about. Fights about property after a person's death have been known to destroy families. People with wills don't leave chaos in their wake (example: the pop singer Prince).

The video refers to a Power of Attorney (PoA). What is the difference between a will and a PoA?

A will is a legal document that distributes peoples' assets after they pass away and designates an executor to oversee this process. A Power of Attorney is a legal document that people prepare to authorize someone to make business, legal, and financial decisions on their behalf if they become physically or mentally incapacitated. Without a PoA document, a court-appointed guardian will need to get involved to make these decisions. A signed PoA document reduces legal expenses and delays.

Why is having a will sometimes referred to as "a gift to your loved ones"?

Provisions in a will create a plan to take care of loved ones should anything happen to the creator of the will (testator). It shows loved ones that the testator cares about them and their future well-being. Wills also spare family members the expense and delays of having a court-appointed administrator and/or guardian. Not only do the creators of a will have peace of mind, but their family members do also.

What does the phrase "getting your affairs in order" mean?

This phrase refers to the steps that people take to prepare and organize legal documents and financial records. The phrase is often used in connection with receiving a poor health prognosis such as cancer but, ideally, should be done well in advance of old age or a health crisis. No one knows exactly when they will die or become incapacitated. Steps in the process of "getting your affairs in order" include seeking help and advice from professionals (e.g., an attorney) as needed, preparing important papers (e.g., a will and a net worth statement), placing legal and financial records in a safe place (especially signed original documents), and telling trusted individuals the location of important papers.

3. **Activity 2:** Distribute the 10-question game *True or Trick?* activity handout to identify myths about wills. Read each question and have students decide whether the statement is correct (hold up the *True* card) or false (hold up the *Trick* card). The *True* and *Trick* cards should be printed on different colors of paper or on colored index cards. Debrief each question using descriptions of the correct answers below.



Wills are only needed by parents of minor children under age 18.

TRICK

Anyone with property in their name needs a will to express their wishes about how it should be distributed when they pass away. For parents of minor children, a will can also indicate a parent's preference for a guardian to provide care and support for their minor child(ren). Potential guardians should be asked in advance of being named in a will and can refuse to assume this substantial responsibility upon learning about it after a testator passes away. In this case, the court will seek another suitable person or arrangement.

When people die without a will, a judge will typically decide who raises their children.

TRUE

In this situation, friends and family members may step forward to nominate themselves as the guardian of a surviving child or children. Hearings are often held by a judge to decide who would be the best person to serve in this role. The most important factor used by courts is "the best interests of the child" and a judge may or may not select someone that a deceased parent would have designated had there been a written will with a named guardian. The court-appointed guardian that is selected may not necessarily be a sibling or a grandparent. A backup (contingent) guardian might also be selected.

A will generally costs \$1,000 or more to prepare.

TRICK

Depending on the complexity of a person's finances and where they live, a simple will should cost from \$300 to \$600, on average, with an [average cost](#) in the U.S. of about \$375. Only when multiple legal documents related to estate planning are prepared does the cost generally reach or exceed four figures.

When people die without having a will, their state of residence will seize their property and sell it.

TRICK

States do not typically seize the property of deceased people who lack wills and sell it. Only in rare instances, when absolutely no relatives can be found, can assets get turned over to state governments. What *does* happen, however, is that [state intestacy laws](#) such as those in [New Jersey](#), dictate how a deceased individual's assets get distributed. Each state has intestacy succession statutes that determine the portion of a deceased person's assets that are distributed to blood relatives such as a spouse, children, and parents.

If people own cash or property jointly with another person, a will can give the assets to someone else.

TRICK

Property that is owned jointly with another person, called joint tenancy with a right of survivorship, will transfer to the surviving co-owner(s) upon the death of any one owner. Property ownership of this type cannot be changed via a will because it is exempt from the probate process and is not subject to a will. In other words, should there be a conflict between a deceased person's legal documents, joint ownership status will trump any conflicting property transfer provisions that are made in a will.

The oldest adult child in a family should serve as the executor of the parents' wills.

TRICK

No necessarily. The best choice for executor from among family members will depend on their organizational and management skills, time availability, geographic location, and willingness to serve. An executor does not even need to be a family member, either. For example, an attorney based in the geographic location of the deceased parent could be a better choice. Each executor decision is case-specific.

The process of making a will is complicated.

TRICK

Lawyers have software that does most of the "heavy lifting" to prepare a will in the proper format. The process of making a will generally involves two meetings with a lawyer: the first to discuss preferences for asset distribution and choice of executor and/or guardian and the second to review the final document and execute it through signing and witnessing. The more information that can be provided in advance to an attorney (e.g., a list of preferences for distribution of assets and the names and contact information for beneficiaries, executor, and guardian), the less time the process will take.

A will can be changed or redone once it is executed.

TRUE

If substantive changes are needed, an older will can simply be replaced with a new one. Language is added in the new will to state that all previously written wills are revoked. Previous wills (both the original and copies) should be destroyed to eliminate any confusion. In years past (before PC computers), small changes in a will were generally made with amending language called a codicil. However, codicils can create confusion and are less frequently used today. Most people simply change an old will by writing a new one.

A personally handwritten or computer-generated will is all that people need to have a valid will.

TRICK

Handwritten wills are called "holographic" wills by the courts. About half of the [states](#) in the U.S., including New Jersey, recognize holographic wills and will admit them to probate. Probate courts will not, however, accept typewritten or computer-generated wills as holographic wills. They must be entirely in the handwriting of the testator. Beyond the issue of the acceptance of holographic wills by states is the issue of the hassles and expenses associated with them. The language that is used may not be clear and could be challenged in court (e.g., by disgruntled heirs) and there may need to be expert testimony provided to certify the decedent's handwriting. Holographic wills are generally advisable only as a last resort in emergency situations. Better alternatives are software- or online-generated wills (e.g., Legal Zoom) that are subsequently reviewed by an attorney and, better still, wills that are prepared entirely by an attorney.

When people die without a will, state laws will give everything that they own to their spouse.

TRICK

The distribution of property via state intestacy laws varies from state to state and is generally based on whether people who pass away have living parents, children, and other close relatives at the time of their death. In New Jersey, there are [formulas](#) that determine the percentage of estate assets that go to various types of blood relatives. For example, a spouse will inherit everything in cases where the deceased spouse has no living descendants (i.e., children, grandchildren, and great-grandchildren) and no living parents.

- Activity 3:** Distribute the *Infographic Instructions Step-By-Step* handout and the *Infographic Story Board Template* handout. Ask students to form small groups and work together to create an infographic with information about wills (e.g., myths, costs, advantages, statistics, terminology, etc.).

Teachers are advised to create their own infographic about wills first to get familiar with the use of the Piktochart program and to have a completed sample infographic to show their students.

- Activity 4:** Distribute the *What Happens When People Die Without a Will?* activity handout and ask students to use an online search engine (Google, Bing, etc.) and search for the terms “intestacy,” “intestacy laws,” “dying without a will,” “dying without a will case studies,” and “dying without a will case study examples.” Ask students to try to find stories about real life cases where people died without a will and what happened as a result. For example, the musician Prince, who died in 2016. Give students about 15-20 minutes to find, read, and summarize articles from reliable sources. Then call the entire class together and debrief the activity and what they learned.

Information gathered by students will vary. They should be able to vividly describe real life case study examples of feuding heirs, unnecessary legal and administrative expenses, and other negative consequences of not having a will, especially among wealthy and famous people.

- Activity 5:** Distribute the *Who Would I Choose?* activity handout. Ask students to “fast-forward” themselves to age 24. The scenario at this age (Scenario #1) is that they are single, living with their best friend as a roommate, and earning a decent salary as a college graduate or graduate of a post-secondary trade school. Ask them to describe who they would name in a will as their executor and guardian in the first scenario and why? Then they will fast-forward themselves again to age 30 (Scenario #2) with a spouse and a one-year old child. Ask them to describe who they would name in a will as their executor and guardian in the second scenario and why?

Also review answers to the questions “Who would be good back-up persons to serve in these positions, if needed, and why?” and “Who would not be selected to serve in these positions and why?”

Ask for volunteers to explain their will decisions and the rationale behind them. Tell students that they do not need to divulge actual names of people but can simply just say “a good friend” or “a relative.” Ask probing questions about whether their will decisions changed between ages 24 and 30 and why?

Students’ answers will vary. However, they will likely mention personal characteristics of people that they select or don’t select (e.g., organizational skills, ability to handle money, and experience raising children) to designate in their “will,” as well as their geographic location and ease of being able to serve, if needed. Students might also mention decisions that their parents made when preparing their wills (if known).

CLOSURE

Return to the quote that was shared at the beginning of the class: “Where there’s a will, there’s a way.” Ask students if this phrase now means more to them than it did before as a result of learning about the purpose and importance of wills. Ask students if they have any remaining questions about wills and what happens to people who die without them and the loved ones that they leave behind.

GLOSSARY

Administrator- A person appointed by the courts to administer the estate of a deceased person who dies without will and, therefore, does not have a designated executor to manage the settlement of their estate.

Beneficiary- A person named in a will to receive a portion of a deceased person's property following the testator's (will creator's) death. A will can contain one or many named beneficiaries.

Bond (as Related to Estate Planning)- Bonds (a.k.a., surety bonds, fiduciary bonds, or probate bonds) must be purchased when an administrator is appointed to manage someone's estate. They are sometimes required to be purchased by executors also, unless bonding is waived in a will. Bonds provide assurance that an estate is not defrauded. If a court-appointed administrator does inappropriately defraud an estate, the company that issued the bond will reimburse the estate for the cost. A bond is like an insurance policy. It is there, if needed. The cost of bonds increases with the value of property covered by the bond.

Bonding- The process of purchasing a surety bond from an agency that provides this service as a deterrent to fraudulent transactions by court-appointed administrators and to provide peace of mind to beneficiaries.

Codicil- A document that adds, deletes, and/or explains provisions in an existing will. It is typically used only to make minor changes but many attorneys today recommend creating a new will instead.

Estate- Everything that people own in their own name (i.e., assets) at the time of their death.

Executor- A person named in a will to perform tasks that include inventorying the deceased person's assets, collecting money that is due, repaying debts, and distributing remaining assets to beneficiaries.

Guardian- A person named in a will to accept the responsibility of providing care to the testator's minor children in the event of the parents' death.

Holographic Will- A handwritten will that people prepare themselves. It should be entirely handwritten with no typed information and include a date and the testator's signature.

Intestate- The legal term used to describe someone who dies without a valid will.

Intestacy Laws- State-specific laws that determine how property passes to the heirs of someone who dies intestate. Close relatives (e.g., spouse, children) take precedence over more distant relatives (e.g., cousins).

Self-Proving Will- Wills that include a sworn statement from witnesses who watched the testator sign it. Having this feature eliminates the need to find the witnesses many years later to probate a will.

Probate- The court-supervised legal process of gathering a deceased person's assets and distributing them to creditors (i.e., repaying debts owed by the deceased person) and beneficiaries (heirs).

Testator- The legal term used to describe a person who has written and executed a will.

Will- A legal document that describes how people's property should be distributed following their death.

Witness- A person who is present when a testator signs a will to attest to the authenticity of the document. At least two witnesses are generally required and they will add their signature along with the testator's.

LEARNING EXTENSIONS

If time permits, the following activities can be used to extend the depth of this lesson:

- ◆ Invite a local attorney who specializes in estate planning or the county [Surrogate](#) (i.e., a constitutional officer elected every five years in each New Jersey County to administer the probate process) or Surrogate's office staff as a guest speaker to discuss wills, the probate process, and real life case stories about people who died with or without wills.
- ◆ Play all or part of the trailer videos for the following movies
Baby Boom <https://www.youtube.com/watch?v=619GiaCzsUM> ,
Raising Helen <https://www.youtube.com/watch?v=Tqmaq3KVU9U>, and/or
Manchester by the Sea <https://www.youtube.com/watch?v=gsVoD0pTge0>
Ask students to discuss what it must feel like for a person to be told unexpectedly that they are the guardian for a deceased family member's orphaned child and the options available in this situation.
- ◆ Have students view and debrief additional YouTube videos about wills and estate planning:
Estate Planning Myth: "Only for Old Folks" (Pharos Law Group): <https://www.youtube.com/watch?v=1-VECHM5IkA>
Estate Planning (Gustin Law Firm): <https://www.youtube.com/watch?v=bfRzOysbOzM>
Estate Planning Animation (Reinfeld & Cabrera Law Firm):
<https://www.youtube.com/watch?v=v2wAWq7KYvM>
How to Write Your Own Will (Law Info): https://www.youtube.com/watch?v=KZZTBTnz_1I
How to Write a Will (Money Watch): <https://www.youtube.com/watch?v=pUZ0omsOIxo>
Great Estate Planning Whiteboard (webtalkingheads): <https://www.youtube.com/watch?v=fToA139oq6w>
Wills and Trusts Overview (ARAG Legal): https://www.youtube.com/watch?v=V_SVM-L53Ng
- ◆ Have students visit the web sites of local law firms that provide estate planning services to learn about their services, legal staff, and costs (if information about legal fees is available).
- ◆ Have students write a summary of what they learned about wills for the school newspaper.
- ◆ Have students read *Prince and a Lesson on Estate Planning* and discuss the drawbacks of dying without a will: <http://www.cpapracticeadvisor.com/news/12209669/prince-and-a-lesson-on-estate-planning-have-a-will-or-trust>. Then have them read *4 Estate-Planning Lessons from Michael Jackson* and discuss actions that were taken correctly: <http://www.kiplinger.com/article/retirement/T021-C000-S001-4-estate-planning-lessons-from-michael-jackson.html>.
- ◆ For additional stories about famous people who died with and without wills, share information from *Lessons of the Rich and Famous ...in Death*: <http://www.wealthmanagement.com/estate-planning/lessons-rich-and-famous-death>
- ◆ Have students go to <http://www.nolo.com> and select an article that interests them about wills. Then have them write three paragraphs summarizing the key points on the topic of the article.

ASSESSMENT: *Wills and Estate Planning Quiz*

Instructors are encouraged to use the questions below for content review or as a pre-and/or post-test to determine gains in student knowledge about wills and estate planning after teaching this lesson.

Correct answers to the multiple choice and True-False questions are shown in boldface type.

Multiple Choice Questions

1. Which of the following is *not* an advantage of a will?
 - a. **Helps people avoid the probate process**
 - b. Names a guardian for minor children
 - c. Names an executor to settle financial details
 - d. Saves money by reducing estate administration expenses

2. A codicil is
 - a. Another name for a handwritten will
 - b. A will written in legal code
 - c. **A document that amends an existing will**
 - d. The first will that a person writes

3. A will is
 - a. A legal document authorizing someone to act on your behalf
 - b. **A legal declaration of people's wishes for the distribution of their property**
 - c. A legal arrangement through which a person's assets are held by someone
 - d. A legal document that summarizes last instructions such as a burial plot or funeral plans

4. What happens when someone dies without a valid will?
 - a. The IRS confiscates their property
 - b. The nearest federal court decides how the property should be distributed
 - c. Relatives and friends will automatically receive the property
 - d. **Their state's intestacy laws will effectively become their will**

5. Someone who is named in a will to manage the affairs of a deceased person is called the
 - a. Testator
 - b. **Executor**
 - c. Trustee
 - d. Beneficiary

True-False Questions

1. Every adult, regardless of marital status, should have a written will (**TRUE: While there is no federal or state law that requires people to have a will, having one can help facilitate an orderly transfer of their property upon their death. Adults with minor children can also name a person that they prefer to serve as their child's guardian in the event of their untimely death**)

2. Handwritten wills must have a notarized seal to prove their authenticity (**FALSE: Handwritten wills, also known as holographic wills, typically just require a date and the testator's signature. They should not include any typed out information**)
3. People can only write one legal will during their lifetime (**FALSE: People can replace an existing will with a new one as circumstances in their life or estate tax laws change**)
4. Changes to a will should be written in ink in the margins and initialed (**FALSE: There are only two legally valid ways to make changes to a will: write a codicil for minor changes or replace an existing will with a new one**)
5. A will must be signed by the beneficiary of the estate (**FALSE: Persons that must sign a will are the person who created it and at least two unbiased witnesses, typically clerical staff in the lawyer's office. The beneficiary has no role in the will preparation process**)

REFERENCES AND RESOURCES

Choosing Your will and Estate Planning Attorney (University of Delaware Cooperative Extension): <http://extension.udel.edu/factsheets/choosing-your-will-and-estate-planning-attorney/>

Estate Planning and Risk Management (Utah Education Network): <http://www.uen.org/Lessonplan/preview.cgi?LPid=29005>

Estate Planning Simplified [Infographic]: <http://www.carsonwealth.com/wp-content/uploads/2017/01/Estate-Planning-Infographic.pdf>

FAQs About New Jersey Wills (Theodore Sliwinski, Esq.): http://www.njaffordablelawyer.com/wp-content/themes/theodoresliwinski/inc/Sliwinski_Wills_FAQs_1_.pdf

4 Estate-Planning Lessons from Michael Jackson (Kiplinger): <http://www.kiplinger.com/article/retirement/T021-C000-S001-4-estate-planning-lessons-from-michael-jackson.html>

Fun Facts About Estate Planning [Infographic]: <https://www.pinterest.com/pin/218917231864403602/>

Kapoor, J.R., Dlabay, L.R., Hughes, R.J., & Hart, M.M. (2016). *Focus on Personal Finance*. New York, NY: McGraw Hill Education.

New Jersey Wills Laws (FindLaw): <http://statelaws.findlaw.com/new-jersey-law/new-jersey-wills-laws.html>

Prepare Your Estate Plan (eXtension): <http://articles.extension.org/pages/15800/prepare-your-estate-plan:-print-this-lesson>

Quiz: Test Your Estate-Planning Smarts (AARP): <http://www.aarp.org/money/investing/info-2014/estate-planning-quiz.html#quest1>

Why People Avoid Estate Planning [Infographic]: <http://www.madammoney.com/why-people-avoid-estate-planning-infographic/>

Your Will and Estate Planning Guide (Thrivent Financial): <https://www.thrivent.com/about-us/files/21995.pdf>

Why Is It Important to Have a Valid Will in Place?

Debriefing Questions

After watching the YouTube video *Why Is It Important to Have a Valid Will in Place?*, answer the following questions:

Why do young adults procrastinate in preparing a will?

Why are older adults (age 50 and older) more likely to prepare a will than younger adults in their 20s and 30s?

Why do you think an estimated 55% to 65% of Americans don't have a will?

As shown in the video, why can the death of a friend prompt someone to prepare a will?

How can writing a will provide peace of mind?

The video refers to a Power of Attorney (PoA). What is the difference between a will and a PoA?

Why is having a will sometimes referred to as "a gift to your loved ones"?

What does the phrase "getting your affairs in order" mean?

True or Trick?

Instructions:

Answer the questions below and be prepared to defend your responses during the class discussion.

Wills are only needed by parents of minor children under age 18.

When people die without a will, a judge will typically decide who raises their children.

A will generally costs \$1,000 or more to prepare.

When people die without having a will, their state of residence will seize their property and sell it.

If people own cash or property jointly with another person, a will can give the assets to someone else.

The oldest adult child in a family should serve as the executor of the parents' wills.

The process of making a will is complicated.

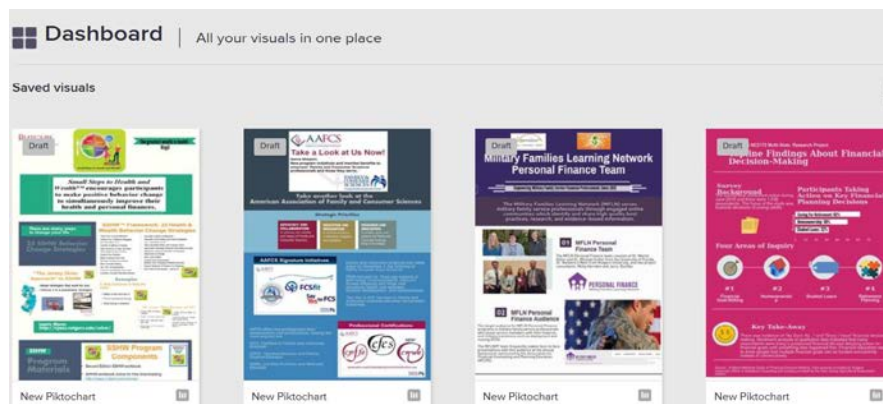
A will can be changed or redone once it is executed.

A personally handwritten or computer-generated will is all that people need to have a valid will.

When people die without a will, state laws will give everything that they own to their spouse.

Infographic Instructions Step-By-Step

1. Go to <https://piktochart.com/> (Piktochart). Click “Start for Free.” (You can also watch a short demo video first).
2. Log in with your Google or Facebook account or create a Piktochart account with a username and password.
3. You are then on your Piktochart Dashboard page. See example below. Click on “Create New” to start a project.



4. Click on “Infographic” to see available templates. Pick one and click on “Use Template.”
5. Click on “Color Scheme” to change the colors, if desired, and if available for your template choice. You can also click on “Background,” section by section, for snazzier background color patterns (stripes, dots, etc.).
6. Each Infographic section is edited individually as a separate section (block). The existing template colors and background can be easily changed. There are also icons for each section (block) to “Add Block,” “Move [a block] Down,” “Clone Block,” and “Delete Block.”
7. Pick out graphics as desired. There are three ways to browse for graphics: All, Color, and Mono (only black and gray colored graphics).
8. To add words, type text into an existing template textbox or pick out one of the available styles and drag and drop it into the desired place (Example: to type words on bars of a bar chart). Change the color, size, and font style as desired.
9. You can also upload and use your own graphics (up to 40 MB for the free version of Piktochart) by browsing and selecting images on your computer. These images will then remain saved in Piktochart to reuse again.
10. Follow your storyboard plan and enter a heading, text, and/or visual content for each infographic section. When you are done, click “Preview” and review your infographic. Then click “Exit Preview” to return to Editing mode.
11. Make edits as needed. The “Undo” button is your friend. Then click “Save” to save the infographic to your Dashboard.
12. The final step is to click “Download” to save the infographic to your computer. There are two choices: PNG and JPEG. JPEGs are for photographs and realistic images. PNGs are for line art and text-heavy images.

For an online tutorial with screen shots about how to use Piktochart, go to <http://support.piktochart.com/hc/en-us/articles/235028348-How-can-I-make-an-Infographic-in-Five-Steps->.

Infographic Story Board Template

Infographic Tips:

- ◆ **Write the Headline First-** Clearly explain your infographic's key theme or overall message
- ◆ **Use High Quality Photos or Graphics-** A carefully selected picture/image is worth a thousand words!
- ◆ **Think Visually, Write Visually-** Examples: photos and graphics that compare sizes or costs
- ◆ **Present Data in Relatable Ways-** Examples: Bar charts to show percentages (instead of text)
- ◆ **Cite Sources for Your Data-** Include acknowledgements and reference sources at the bottom

Title: _____

Subtitle: _____

Section	Header	Text Content	Visual Content
1			
2			
3			
4			
5			
6			

Credits and/or References:

Web Quest:

What Happens When People Die Without a Will?

In this activity, you will conduct an online search to learn what happens when people die without a will.

Instructions:

1. Go to an online search engine (e.g., Google, Bing) and search for terms such as “intestacy,” “intestacy laws,” “dying without a will,” and “dying without a will: case studies.”
2. Read three articles (not paid advertisements), especially those with stories about real people who died without wills.
3. When you are done reading, complete the table below by listing key pieces of information that you found.
4. Be prepared to discuss the information that you found with the entire class.

Information Source	Information About People Who Die Without wills

Who Would I Choose?

“Fast Forward” your life to age 24 (Scenario #1). You are single, living with your best friend as a roommate, and earning a decent salary as a college graduate or graduate of a post-secondary trade school. Describe who you would name in a will as your executor and back-up (contingent) executor and why?

Designated Person in Your Will	Name (or Relationship) of the Person Chosen	Rationale for Your Decision
Executor Designee		
Contingent Executor Designee		

“Fast-forward” yourself again to age 30 (Scenario #2) with a spouse and a one-year old child. Describe who you would name in a will as your executor and guardian and back-up (contingent) executor and guardian and why?

Designated Person in Your Will	Name (or Relationship) of the Person Chosen	Rationale for Your Decision
Executor Designee		
Contingent Executor Designee		
Guardian Designee		
Contingent Executor Designee		

Wills and Estate Planning Quiz

Multiple Choice Questions:

Circle the correct answer from among the four answers provided.

1. Which of the following is *not* an advantage of a will?
 - a. Helps people avoid the probate process
 - b. Names a guardian for minor children
 - c. Names an executor to settle financial details
 - d. Saves money by reducing estate administration expenses

2. A codicil is
 - a. Another name for a handwritten will
 - b. A will written in legal code
 - c. A document that amends an existing will
 - d. The first will that a person writes

3. A will is
 - a. A legal document authorizing someone to act on your behalf
 - b. A legal declaration of people's wishes for the distribution of their property
 - c. A legal arrangement through which a person's assets are held by someone
 - d. A legal document that summarizes last instructions such as a burial plot or funeral plans

4. What happens when someone dies without a valid will?
 - a. The IRS confiscates their property
 - b. The nearest federal court decides how the property should be distributed
 - c. Relatives and friends will automatically receive the property
 - d. Their state's intestacy laws will effectively become their will

5. Someone who is named in a will to manage the affairs of a deceased person is called the
 - a. Testator
 - b. Executor
 - c. Trustee
 - d. Beneficiary

True-False Questions:

Mark "T" for True or "F" for False in the space before each question.

- ___ 1. Every adult, regardless of marital status, should have a written will.
- ___ 2. Handwritten wills must have a notarized seal to prove their authenticity.
- ___ 3. People can only write one legal will during their lifetime.
- ___ 4. Changes to a will should be written in ink in the margins and initialed.
- ___ 5. A will must be signed by the beneficiary of the estate.

The Purpose and Importance of Wills lesson plan was written by Dr. Barbara O’Neill, CFP®, Extension Specialist in Financial Resource Management for Rutgers Cooperative Extension (oneill@aesop.rutgers.edu).

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