



Last Will and Testament

Making a charitable contribution through your Last Will and Testament is an excellent way to coordinate your giving to family members, other loved ones and New Earth Recovery (NER). It is a statement or testament of what you value in life. It also gives you the satisfaction that you are making a significant difference in the lives of people who are recovering from addiction.

Advantages of a Will

Wills have been around literally for centuries, and these legal documents are the traditional “backbone” in an estate plan. Many people resist the idea of planning their estate because of good old-fashioned procrastination. They want to avoid making important and sometimes difficult decisions or incurring legal expenses. Others mistakenly think they are not wealthy with houses, investments, bank accounts, businesses, etc., and therefore do not need an estate plan.

But there many advantages of having a Will. The most important benefit is that it gives you control of the distribution of your assets according to your wishes rather than leaving it to the State statutes. An important second advantage is you can name who serves as your Personal Representative and define his or her authority in settling your estate. Finally, having a Will gives you the ability to address the “what-ifs” in life, such as how your assets should be distributed if your spouse does not survive you or if a beneficiary becomes disabled.

Your Will goes into effect only upon your death. You can revoke or amend it any time prior to your passing, assuming you have the required mental capacity to do so.

Example Wording

Your attorney will have his or her wording for a charitable gift. However, in order to give you an idea of what it might look like, here is a sample of an undesignated charitable gift to NER that contains many or all of the elements that your attorney might use:

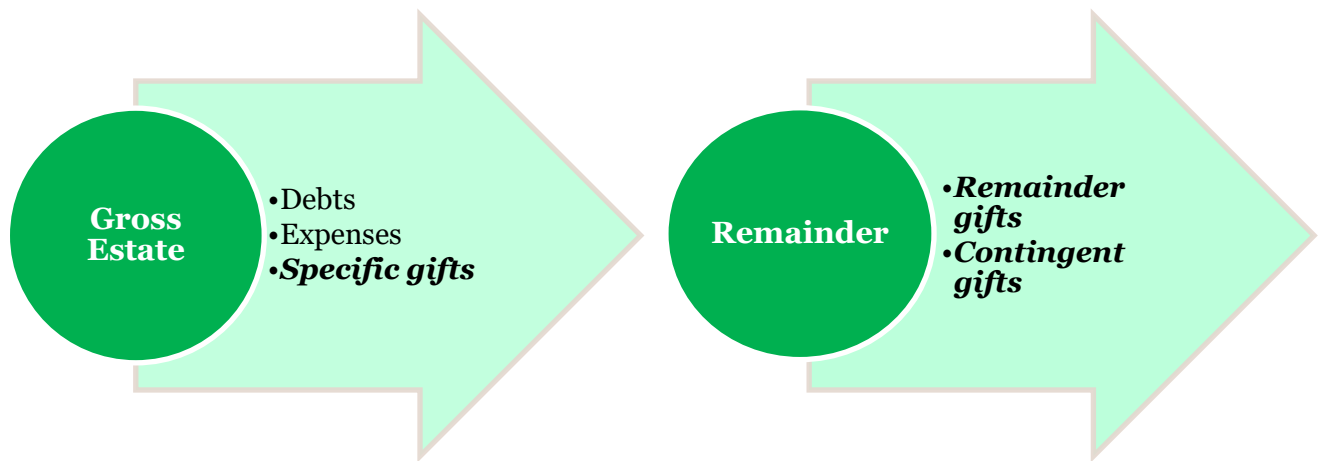
I give to New Earth Recovery, a nonprofit corporation duly organized and existing under the laws of the State of Washington, currently located at Post Office Box 1473, Mount Vernon, Washington 98273, or its successor, the sum of Ten Thousand Dollars and No Cents (\$10,000.00), for such uses and purposes as its governing board shall deem necessary and advisable.

As you will see below, there are a variety of ways that you can remember NER in your Will. A discussion with your attorney about your family situation, goals, assets, liabilities and desired distribution, along with addressing the possible “what-ifs”, is time well spent.

Flow

As mentioned above, one important advantage of having a Will is to name your Personal Representative and define his or her authority in settling your estate. Washington State has progressive laws about settling an estate. You may choose to grant your Personal Representative what are often referred to as “non-intervention power”. These special powers would allow your Personal Representative to settle your estate with court supervision. This is an important topic to discuss with your attorney.

After getting appointed by the court, the basic duties of a Personal Representative include: 1) taking control of the decedent’s assets; 2) paying the decedent’s debts and expenses of administering the estate; and 3) distribute the remaining assets of the estate. The timing of a distribution during the administration of the estate is very important. As illustrated below, a specific gift is fulfilled after the debts and expenses are paid but before the remainder or contingent beneficiaries receive their bequest.



Using the bequest found in the Example Wording above, the Personal Representative would pay the specific gift of \$10,000 after paying the debts of the estate and the administrative expenses. Whatever is left, which is known as the remainder or residue, would then be distributed to the remainder or contingent beneficiaries.

One of the “what-ifs” that you and your attorney should consider is what if you specify a specific gift but the size of your estate dramatically increases or decreases? For example, if your estate significantly decreases in value, the amount of the specific gift to NER might be too large in comparison to what is left over for the remainder beneficiaries. One, but not the only, solution would be to give NER a percentage of the remainder rather than a specific gift. That way, the amount given to NER increases or decreases according to the size of the remainder.

Toolbox

By using the concepts of a specific gift, a remainder gift and a contingent gift, you have a great deal of flexibility of how to remember NER in your Will. The following illustrates a few of the many ways. (For simplicity and brevity, the example found in Example Wording above has been

shortened in the samples. Again, your attorney will use the appropriate format to express your directions.)

Specific Gift

You can make a specific gift to NER, which is often a gift of cash. However, you can specify a wide range of assets such as a piece of real property, shares of stock, a vintage automobile, a business, etc.

Cash	I give to New Earth Recovery the sum of Ten Thousand Dollars and No Cents (\$10,000.00).
Real Property	I give to New Earth Recovery any interest which I own at the time of my death in the house and lot located at [1234 Main Street, Burlington, Washington 98233].

Remainder Gift

You can tailor-make the final distribution of your assets after the debts, administrative expenses and specific gifts are paid.

Remainder	I give ten percent (10%) of the rest, residue, and remainder of my estate to New Earth Recovery.
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Contingent Gift

Here is an example of how NER could be named as a contingent beneficiary:

Cash	I give my brother, [Martin Garcia], the sum of Ten Thousand Dollars and No Cents (\$10,000.00), if he survives me. If [Martin Garcia] should not survive me, then I give that same amount to New Earth Recovery.
Remainder	I give the rest, residue and remainder of my estate to my husband, [Harry Smith], if he survives me. If my husband should predecease me, then I give the rest, residue and remainder of my estate to the New Earth Recovery.
Contingent Remainder Beneficiary	If at the time of my death, or at any later time prior to final distribution hereunder, a beneficiary is deceased and no other disposition of the property is directed by this Will, then and in that event the then-remaining property of my estate shall be distributed to New Earth Recovery.

Useful Information

The following information may be helpful to you and your attorney when designating NER as a beneficiary in your Will.

Name:	New Earth Recovery, a nonprofit corporation duly organized and existing under the laws of the State of Washington
Address:	Post Office Box 1473 Mount Vernon, WA 98273
Federal tax identification number:	47-3266440
Income tax status:	Exempt from Federal income taxes under section 501 (c) (3) of the Internal Revenue Code (“Code”) *
Contributions to NER:	Deductible under section 170 of the Code *
Bequests, devises, transfers or gifts:	Deductible under sections 2055, 2106 or 2522 of the Code *
* A copy of the IRS Letter of Determination for NER will be furnished upon request.	

Thank you for considering the designation of NER as a beneficiary of your Will. Although optional, we would appreciate knowing of your naming NER as a beneficiary so we can thank you for your future gift. Please contact the Executive Director, Alan Muia, at (360) 848-9281, if you have any questions.