

Transferring Cherished Possessions

LESSON 1: WHERE DO I START?

FACILITATOR'S GUIDE

RATIONALE: The distribution of smaller assets after a person's death can often be a source of stress or conflict in families if not well planned. Non-titled property includes those everyday items not typically detailed in a will or estate plan, from cherished possessions to closets of clutter. Emotions can hinder the peaceful settlement of affairs upon a person's death. Thus, it is important to learn how to plan for the distribution of cherished possessions ahead of time.

GOAL: Understand the importance of establishing clear family goals when determining how non-titled property will be distributed during the settlement of an estate.

OBJECTIVES:

- Understand where to start estate planning for non-titled possessions
- Evaluate legal considerations for distributing non-titled possessions
- Establish family goals for distributing non-titled possessions

RESOURCES FOR LEADERS:

- FCS5-479 Publication: *Transferring Cherished Possessions: Where Do I Start?*
Available: <http://www2.ca.uky.edu/agcomm/pubs/FCS5/FCS5479/FCS5479.pdf>
- FCS5-479 FG Facilitator's Guide
- 001 PowerPoint Presentation

RESOURCES FOR PARTICIPANTS

- FCS5-479 Publication: *Transferring Cherished Possessions: Where Do I Start?*
Available: <http://www2.ca.uky.edu/agcomm/pubs/FCS5/FCS5479/FCS5479.pdf>
- 001 Activity: *Mystery Memorabilia Vignette*
- 001 Take-Home Activity: *Letter of Last Instructions*
- 001 Evaluation

ESTIMATED TIME

This lesson is designed to take between 45 and 60 minutes to complete. You may shorten or lengthen the lesson by extending discussion times or removing activities as needed.

SUPPLEMENTAL RESOURCES

In addition to the materials contained in this curriculum, you might find the resources below helpful to supplement your lessons when participants ask for more information on estate planning. Find digital copies in the *Supplemental Resources* folder of the curriculum.

- KEHA Leader Lesson: *Transferring Cherished Possessions* (See FCS Master Resource List)
- *MONEYWISE Volume 12, Issue 4: Extension Publications to Help with Estate Planning*
- Kentucky Cooperative Extension Estate Planning Publication Series:
 1. FCS5-420: Estate Planning Part 1: Getting Started
<http://www2.ca.uky.edu/agc/pubs/FCS5/FCS5420/FCS5420.pdf>
 2. FCS5-422: Estate Planning Part 2: Your Records and Personal Information
<http://www2.ca.uky.edu/agc/pubs/FCS5/FCS5422/FCS5422.pdf>
 3. FCS5-423: Estate Planning Part 3: Selecting Your Team
<http://www2.ca.uky.edu/agc/pubs/FCS5/FCS5423/FCS5423.pdf>
 4. FCS5-424: Estate Planning Part 4: Financial Planners
<http://www2.ca.uky.edu/agc/pubs/FCS5/FCS5424/FCS5424.pdf>
 5. FCS5-425: Estate Planning Part 5: Wills and Probate in Kentucky
<http://www2.ca.uky.edu/agc/pubs/FCS5/FCS5425/FCS5425.pdf>
 6. FCS5-426: Estate Planning Part 6: Trusts
<http://www2.ca.uky.edu/agc/pubs/FCS5/FCS5426/FCS5426.pdf>
 7. FCS5-427: Estate Planning Part 7: Federal and State Estate Taxes
<http://www2.ca.uky.edu/agc/pubs/FCS5/FCS5427/FCS5427.pdf>
 8. FCS5-465: Estate Planning Part 8: Planning Your Digital Estate
<http://www2.ca.uky.edu/agc/pubs/FCS5/FCS5465/FCS5465.pdf>
 9. FCS5-436: Estate Planning Part 9: How to Settle an Estate
<http://www2.ca.uky.edu/agc/pubs/FCS5/FCS5436/FCS5436.pdf>
 10. FCS5-428: Estate Planning Part 10: A Glossary of Terms
<http://www2.ca.uky.edu/agc/pubs/FCS5/FCS5428/FCS5428.pdf>

PROGRAM EVALUATION

There are different ways to measure program success, including KERS reporting, individual lesson evaluations, a follow-up program evaluation, and a success story.

- **KERS Indicators**

Relevant KERS indicators exist that can be tied to the provided Lesson One Evaluation. They can be found under **2056 - Financial Education – General**.

- **2056.6)** Number of individuals who reported increased levels of understanding in the area: identifying estate planning strategies for the family, farming operation, or business
- **2056.7)** Number of individuals who took action toward implementing at least one estate planning strategy in regard to the subject matter presented
- **2056.9)** Number of participants who attended age-related housing, financial, and estate planning programs not identified as a “major program.” Major age-related programs include Keys to Embracing Again, 10 Warning Signs, and AARP Prepare to Care

- **Lesson Evaluation**

After the conclusion of Lesson 1, participants should complete one of the following evaluation methods (hard copy or digital, not both):

- **Hard copy evaluation:**

Please send hard copy evaluations to Dr. Nichole Huff:

- *Electronic Scans:* nichole.huff@uky.edu
- *Paper Photocopies:* 102 Erikson Hall, Lexington, KY 40506

Note: If you or someone in your office can enter paper evaluations individually into the Qualtrics form below [*this is preferred*], then you do not need to send hard copies or scans to Dr. Huff.

- **Digital evaluation:** There is also a Qualtrics option for participants to complete online evaluations using a personal computing device. Contact Dr. Huff after your program to receive an electronic report from your digital evaluations.

- *Qualtrics bit.ly link:* <https://ukfcs.net/TCP-1>
- *QR Codes for all evaluations are in the PPTs and evaluation tools.*

- **Follow-up Program Evaluation**

While initial evaluations help us gauge increases in knowledge and understanding, as well as *intended* behavior change, follow-up evaluations allow us to measure actual changes in behavior. They also help make our success stories more effective.

Follow the steps below to collect follow-up data at the end of your program:

1. Set a reminder on your calendar to alert you **one month** from the date of your last lesson in the series. (Ex: If you do all four sessions, you will send out the follow-up evaluation one month after the Lesson Four presentation.)
2. One month after your program concludes, participants should complete one of the following follow-up evaluation methods (hard copy or digital, not both):

- **Hard copy evaluation:**

Please send hard copy evaluations to Dr. Nichole Huff:

- *Electronic Scans:* nichole.huff@uky.edu
- *Paper Photocopies:* 102 Erikson Hall, Lexington, KY 40506

Note: If you or someone in your office can enter paper evaluations individually into the Qualtrics form below [*this is preferred*], then you do not need to send hard copies or scans to Dr. Huff.

Tip: If you mail out paper follow-up evaluations, include an addressed, stamped envelope and an incentive item (e.g.: recipe card, newsletter).

- **Digital evaluation:** There is also a Qualtrics option for participants to complete online evaluations using a personal computing device. Contact Dr. Huff after your program to receive an electronic report from your digital evaluations.

- *Qualtrics bit.ly link:* <https://ukfcs.net/TCP>
- *You can find a QR code for the follow-up evaluation with the evaluation tools that accompany this curriculum to insert into mail-outs or email.*

- **Success Story Template**

A blanket success story template is included in the marketing package that will allow you to personalize your impact statement using the evaluation data you collect.

Use the information included in the Lesson One publication to present the slides below:

INTRODUCTION

Slide 1 – Title Slide

- Introduce yourself and share the Lesson One rationale and goal.

Slide 2 – Lesson Objectives

- Review the lesson objectives.

Slide 3 – Ice Breaker Activity

- **Ask:** *Think about a cherished possession you or someone in your family has received. How was that item inherited, and why is it important?*
- As the facilitator, get the conversation started by briefly sharing a cherished possession in your own life. You could insert a picture of the item into the PowerPoint, or bring in the item for “show-and-tell.” Then allow participants to briefly share their own stories.
- Try to limit the ice breaker to 10 minutes. Depending on the size of your group, you may have to ask for a few volunteers to share as opposed to everyone in the group.
- **Debrief and Transition:** Cherished possessions can provide a sense of comfort while grieving the passing of loved ones and can represent a continuation of their legacy for those who inherit the items.

OBJECTIVE 1

Understand where to start estate planning for non-titled possessions

Slide 4 – What is Non-Titled Property?

- Titled property includes things typically listed in a will such as real estate or automobiles, or things with a named beneficiary like an insurance policy or retirement benefits. With non-titled property, however, there typically are no legal documents, titles, named beneficiaries, or estimated financial value like there are for items like a home, car, bank account, or insurance policy. The sentimental value of non-titled items, however, can sometimes mean as much or more to a recipient than titled property.

Slide 5 – Why Make a Plan?

- Despite the personal meaning of cherished possessions and other household items, they are often overlooked when creating a will. Even if a will is in place, it may simply state, “distribute all property equally among my children.” However, when an item has a different sentimental value to each heir, it isn’t always easy to estimate what is equal or fair. Therefore, it is important to make an estate plan for all of your belongings. This includes the things you cherish, and those you don’t (like the clutter that’s been in your attic, basement, or garage for decades). Whether an item is cherished or not, it is important to have a plan for every item you own.

OBJECTIVE 2

Evaluate legal considerations for distributing non-titled possessions

Slide 6 – Legal Considerations

- Creating a plan for your possessions is important from a legal standpoint. Even if you have an estate plan for your titled property, your executor may not know how to best distribute the full contents of your estate. This includes all the items you cherished within it (*and even some you didn't cherish*) — from closets to cupboards, attics to basements, clothes to clutter, furniture to décor.
- You may have started labeling items around your house, perhaps with sticky notes or by keeping a running list in a notepad. While these methods may help you think through a distribution plan, they are not legally binding. **You should consult with a trusted estate planning professional, accountant, or attorney.** We will discuss basic legal considerations such as including non-family members, how to distribute assets of monetary value, and how to manage your estate taxes.

Slide 7 – Including Non-Family Members

- Family structures can be complex. You may have stepchildren or perhaps foster children with whom you have created a strong bond. However, in Kentucky, probate law does not consider stepchildren or foster children as legal heirs unless you have formally adopted them. Without a written will, they will not have automatic rights to an inheritance even if you intended to leave them certain items. If you plan to transfer any possessions to non-legal family members, extended family members, or close friends, make sure to put the details in writing and include them with your will and *Letter of Last Instructions*. We will discuss how to write a *Letter of Last Instructions* shortly.
- **Note:** The supplemental publication, *FCS5-425: Estate Planning Part 5: Wills and Probate in Kentucky*, may be helpful if participants have additional legal questions.

Slide 8 – Managing Estate Taxes

- All property belonging to Kentucky residents is subject to estate taxes, including household goods. However, the estate tax may be smaller depending on level of kinship. For example, your spouse, child, sibling, or parents may be exempt from estate taxes, but a son- or daughter-in-law may not. Estate tax laws can be complicated to understand. While gifts given “with a living reason” or given at least three years before death are not subject to estate tax, gifts given in contemplation of death or within three years of death are subject to estate tax. You should discuss tax implications with an accountant or attorney when developing your estate plans.
- **Note:** The supplemental publication, *FCS5-427: Estate Planning Part 7: Federal and State Estate Taxes*, may be helpful if participants have additional tax-related questions.

OBJECTIVE 3

Establish family goals for distributing non-titled possessions

Slide 9 – Family Goals

- As you begin to plan for the distribution of your possessions, consider the goals you have for your belongings as they relate to your legacy and your loved ones. Maybe you'd like to preserve family stories or would like antiques and heirlooms to stay within your family. Perhaps you want to donate items to a local museum for the community to enjoy. While some family members may share the same vision, others may not. Further, some may prioritize the potential monetary value over sentimental or historical value. There also can be instances where the potential recipient prefers a different keepsake than what you intended to give and may get upset if that item is gifted to someone else.
- Uncertainty surrounding family goals can be a major contributor to family conflict when settling an estate. To reduce this stress, it can be helpful when creating an estate plan to first reflect on your personal goals for your belongings, and then to discuss the hopes, preferences, and expectations of potential heirs.

Slide 10 – Personal Property Goals

- Personal property goals can vary for each item or for each recipient.

Review the five example goals listed on the slide and detailed below.

1. **Support family members.** You may choose to distribute items like a bedroom set, a kitchen table, or small appliances to a grandchild who is facing financial hardship or to a family member who recently moved to a new home.
2. **Preserve family history.** Perhaps you want to preserve important stories connected to your cherished items. For example, you may want your middle child to inherit your cedar chest because they value the story of how your father made it for you when you left home after graduation.
3. **Make a donation.** You may decide to donate artwork to a local museum or an antique map collection to a university library. If your heirs are aware of this goal, it can comfort them to know others in your community or state will benefit from your treasures.
4. **Respect family relationships.** Consider gifting items to the person most connected to its meaning. For instance, if you remarried after a divorce, it may be most meaningful for a child from your first marriage to inherit your first set of wedding rings.
5. **Reduce 'only-child guilt.'** Sometimes only children or sole beneficiaries are burdened with what to keep and what to purge when they inherit everything in an estate. If you have a sole beneficiary, discuss with them what items are most cherished and work together to create a plan for other items in your home.

Slide 11 –Activity: *Mystery Memorabilia Vignette*

- Provide participants with the Lesson 1 activity handout: ***Mystery Memorabilia Vignette***. You may choose to do this activity as a large group or in smaller groups. Read the vignette and answer the corresponding questions. Discuss possible answers and debrief as a group. Emphasize that there are no right answers. The decisions depend on personal and family goals.

Slide 12 – Letter of Last Instructions

- To help convey your estate wishes to your loved ones, consider writing a *Letter of Last Instructions* to include with your will. A *Letter of Last Instructions* is an informal letter providing instructions to your family, executor, or attorney about your final wishes for the settlement of your estate upon your death. You can use this letter to let your heirs know where to find important documents like your insurance policies, will, or bank information; instructions for funeral arrangements; and your wishes for the distribution of your non-titled assets. After completing a *Letter of Last Instructions*, be sure your executor has a copy or knows where to locate it quickly. If your letter includes time-sensitive items like funeral arrangements, you'll want them to have access to your wishes immediately after your death.
- Distribute the **Letter of Last Instructions** take-home activity to participants. They can use the handout to guide them in writing a letter after this lesson. Remind them that the activity can be emotional and may stir up feelings of anxiety or sadness. Seek the council of a trusted family member, friend, clergy, or professional if needed.

Slide 13 – Questions or Comments

- Estate planning helps to ensure your wishes are carried out after your death. You also may decide to distribute some things while you are living to pass down any sentimental stories attached to the items. Creating a plan for all your possessions helps to relieve those grieving your death from additional burdens such as the emotional task of deciding who gets what, as well as the physical task of sorting through and distributing the contents of your home.
- *Ask: What questions or comments do you have?*

Slide 14 – Evaluation

- Review the evaluation options at the beginning of the Facilitator's Guide.
- If you are using the digital version of the evaluation, keep this slide in your presentation.
- If you are using the hard copy version, use this time to distribute and collect evaluations.

Slide 15 – Attribution and Branding

Nichole Huff, PhD, Extension Specialist for Family Finance and Resource Management
nichole.huff@uky.edu

With contributing efforts provided by:
Tiyani Rodrigo and Miranda Bejda

Copyright © 2023 for materials developed by University of Kentucky Cooperative Extension. This publication may be reproduced in portions or its entirety for educational or nonprofit purposes only. Permitted users shall give credit to the author(s) and include this copyright notice. Educational programs of Kentucky Cooperative Extension serve all people regardless of economic or social status and will not discriminate on the basis of race, color, ethnic origin, national origin, creed, religion, political belief, sex, sexual orientation, gender identity, gender expression, pregnancy, marital status, genetic information, age, veteran status, or physical or mental disability.