

Methods of Distribution	Things to Consider
<p>Wills: A will goes into effect when a person dies. It Directs your personal representative to carry out your wishes. Listing one’s personal property in a will can entail pages to detail if every item is listed. When writing a will, owners are encouraged to prepare a “separate writing identifying bequest of tangible property” as described in the next section, “Lists.”</p> <p>In addition, a will should give away personal property that is not specifically listed. Examples are “to my living children in equal share” or “to my living children, to be divided as they agree.”</p>	<p>Wills:</p> <ul style="list-style-type: none"> • Require, to insure accuracy, that the actual will be updated as changes in ownership or transfer wishes occur. • Frequently use vague wording such as “divide evenly among the children,” thus leaving the actual decision of who gets what personal property up to the family.
<p>Lists:</p> <p>(EX: Section 2513, Estates and Protected Individuals Code, Michigan Public Act 386, 1998, MCL 700.2513 states that, . . . a will may refer to a written statement or list to dispose of items of tangible personal property not otherwise specifically disposed of by the will, or other than money.” The list must be signed by the owner and must describe the items and the intended recipients with reasonable certainty. The list may be changed by the owner without having to see an attorney, and without having to change the will.</p> <p>Lists may be prepared either before or after the will is written.</p> <p>Lists designating distribution of non-titled property need to be kept with personal papers, so the personal representative is able to distribute items to the intended recipients.</p> <p>An example of how to prepare a list can be found at the end of this resource.</p>	<p>Lists:</p> <ul style="list-style-type: none"> • Must be mentioned in the will to be legally valid. • Provide written documentation of the owner’s wishes • May be prepared by the owner after receiving input from potential recipients. • Need to be dated to insure it represents the most recent wishes of the property owner. • Can be easily updated.

<p>Gifts:</p> <p>Property may be transferred to others by gifting it prior to death. While these gifts frequently take place at birthdays and holidays, they may occur at any time. One grandmother chose to give her grandson’s fiancée a crystal bowl as a shower gift. She included a note explaining that originally the bowl was received as a gift when she and her husband were married 50 years earlier.</p> <p>Gifts of up to \$11,000 per recipient (\$22,000 for married couples per recipient), or property equal to that amount, may be gifted annually without paying gift tax.</p> <p>Gifts may also be given to charities or museums. Check with the director or curator before gifting to these entities.</p> <p>Remember, once given, gifts are the permanent property of the receiver.</p>	<p>Gifts:</p> <ul style="list-style-type: none"> • Allow you to pass on stories and special memories associated with specific items. • May be given with the assumption they will be returned to the original giver. Not everyone gives gifts they would like to have returned. This assumption may make it difficult to compensate those who gave gifts such as money, clothes, or food. • Reduce the size of your estate and possibly the taxes on it. • Will require filing of gift tax forms if amount exceeds \$11,000 per person. • May provide you with tax deductions when gifts are made to non-profit groups. Check with your tax advisor. • Provide for permanent transfer of property. Once a gift is given, it is no longer yours.
<p>Verbal or “Someday” Promises:</p> <p>A “someday you will receive this item” promise assumes the recipient will receive an item of property at a future point in time. For example, “After I die, I want you to have my wedding ring.”</p>	<p>Verbal or “Someday” Promises:</p> <ul style="list-style-type: none"> • May cause misunderstandings when more than one person feels they have been promised the same item. • May cause problems when items break, are sold or lost, or are given to another person before “someday” arrives. • Are not legally enforceable.