



Glossary of Terms

These definitions are offered for general information purposes only. Please consult with your professional advisor to organize and formalize your own estate plan.

Administrator - The person appointed by the court to manage one's estate when he or she dies without leaving a will. Administrators have the same duties as executors.

Appreciated Property - Property, such as real estate or stock which has increased in value.

Beneficiary - An individual designated to receive benefits or funds under a will or other contract, such as an insurance policy, trust or retirement plan.

Bequest - To give or leave something by will, typically personal property or assets.

Capital Gains Tax - A tax on capital gains, the amount by which proceeds from the sale of a capital asset exceed the original cost.

Charitable Gift Annuity - An agreement in which you transfer cash or other assets to a charitable organization in exchange for its promise to pay you and/or another person fixed annual payments for life.

Codicil - A legal instrument used to modify an earlier will.

Cost Basis - The original value of an asset, such as stock, before its appreciation or depreciation.

Estate - Any money, real estate, personal property and other possessions you have at the time of your death.

Estate Planning - The steps you take to organize how your assets will be distributed at your death. It is a process, to be updated throughout your life.

Estate Tax - A tax imposed at one's death on the transfer of most types of property.

Executor (or Personal Representative) - The person named in a will to manage the estate. This person will collect the property, pay any debt and distribute property or assets according to the will.

Gift Tax - Tax on gifts generally paid by the person making the gift, rather than the recipient.

Gross Estate - The total property or assets held by an individual as defined for federal estate tax purposes.

Intestate - The term applied when an individual dies without a will.

Probate - A legal process in which a court oversees the distribution of property left in a will.

Will - A legal declaration of how you wish your possessions distributed after your death. A will states who receives property and in what amounts. Property distributed under the terms of the will become the "probate" estate. Making a will is a responsibility, as well as a right that is protected by law.