

# Glossary of Terms

## **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.

## **Annuity**

A fixed sum of money payable yearly or at other regular intervals.

## **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**

A gift left in a will, typically personal property or assets.

## **Charitable Gift Annuity**

Typically an agreement in which cash or other assets are transferred to a charitable organization in exchange for its promise to pay an annuity for life or for a term of years.

## **Charitable Trust**

A trust having a charitable organization as a beneficiary.

## **Codicil**

A legal instrument made to modify an earlier will.

## **Cost Basis**

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

## **Durable Power of Attorney**

A written legal document that lets an individual designate another person to act on his or her behalf, even in the event the individual becomes disabled or incapacitated.

## **Estate Tax**

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

**Gift Tax**

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

**Gift-Tax Annual Exclusion**

The provision in the tax law that exempts the first \$11,000 (as adjusted for inflation) in present-interest gifts a person gives to each recipient during a year from federal gift taxes.

**Grantor**

The person who transfers assets into a trust for the benefit of another.

**Gross Estate**

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

**Guardian**

An individual legally appointed to manage the rights and/or property of a person incapable of taking care of his or her own affairs.

**Interest**

Any right or ownership in property.

**Intestate**

The term applied when an individual dies without a will.

**Irrevocable**

An agreement that cannot be changed or terminated without the agreement of the current beneficiary.

**Joint Ownership**

The ownership of property by two or more people, usually with the right of survivorship.

**Life Insurance Trust**

A trust that has the proceeds of an individual's life insurance policy as its principal.

**Living Trust**

A revocable trust established by a grantor during his or her lifetime in which the grantor transfers some or all of his or her property into the trust.

**Living Will**

A legal document directing that the maker's or signer's life is not to be artificially supported in the event of a terminal illness or accident.

**Probate**

The court process for determining the validity of a deceased person's will.

**Revocable**

The ability of a donor either to change or terminate an agreement without having to get consent from the current beneficiary.

**Testator**

An individual who dies leaving a will or testament in force.

**Trust**

A written legal instrument created by a grantor during his or her lifetime or at death for the benefit of another.

**Trustee**

The individual or institution entrusted with the duty of managing property placed in the trust. A "co-trustee" serves as trustee with another. A "contingent trustee" becomes trustee upon the occurrence of a specified future event.

**Will**

A legally executed document that directs how and to whom a person's property is to be distributed after death.