LATTER-DAY SAINTS – ESTATE PLANNING

INTEGRATING RELIGIOUS VALUES INTO YOUR CLIENTS' ESTATE PLANNING

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PURPOSE OF THE WEBINAR

- "Seek first to understand, then to be understood." Steven Covey in 7 Habits of Highly Effective People.
- Estate planning for Latter-day Saints is often viewed as spiritual stewardship, not merely a technical exercise.
  - Planning decisions are shaped by **doctrine, covenants, and eternal perspective**, not only tax efficiency.
  - Advisors who understand the **religious and cultural framework** can draft plans that better align with client intent and reduce family conflict.
- Source Article:
  - David J. Bonner, David M. Grant & Martin M. Shenkman, *Estate Planning and Members of The Church of Jesus Christ of Latter-day Saints*, 52 **EST. PLAN.** 3 (Aug. 2025).

CULTURAL RELEVANCE OF THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS

- Significant national and global presence
  - Fourth largest religious denomination in the United States
  - The Book of Mormon translated into 113+ languages
  - Over 100,000 unpaid full-time missionaries worldwide
- Distinctive theological and cultural features
  - Belief in the Godhead and Divine Spiritual Parentage, rather than the traditional view of the Trinity
  - Belief in modern prophets, restored priesthood authority, and eternal families
  - Strong family-centered values and emphasis on moral agency
  - Global leadership in genealogical & family history research, and worldwide humanitarian services

CULTURAL RELEVANCE OF THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS, CONT....

- Influence on American history, law, and public life
  - Central role in the westward settlement of the American West
  - Early persecution shaped U.S. jurisprudence on religious liberty (*e.g.*, Missouri Extermination Order; *Reynolds v. United States* (1879); Women's suffrage (1870)
  - Members have held prominent public offices (*e.g.*, Sen. Mitt Romney; Sen. Harry Reid)
- Contemporary cultural and legal engagement
  - Frequently depicted in popular media, shaping public perception
  - Played notable roles in balancing religious liberty and LGBTQ civil rights:
    - Supported Utah's SB 296 (2015) – The "Utah Compromise" expanded civil rights protections based upon sexual orientation and gender identity, while strengthening religious liberty protections
    - Backed the federal Respect for Marriage Act (2022), while preserving protections for religious institutions

LATTER-DAY SAINT DOCTRINE & PLANNING CONTEXT

- Faith's name is not "Mormon" but rather "Church of Jesus Christ of Latter-day Saints."
- Members identify as devout Christians with theology centered on Jesus Christ as Redeemer and Savior
  - Scriptural canon includes the Bible, Book of Mormon, Doctrine & Covenants, and Pearl of Great Price
  - Important distinctions exist between:
    - **Doctrine** (unchanging core beliefs)
    - **Policy** (administrative, adaptable)
    - **Personal agency** (individual application)
- Key planning implication
  - Advisors should not assume uniform answers on religiously informed financial decisions.
- Sources:
  - Doctrine & Covenants 58:26–28 (agency)
  - Church General Handbook §§ 38, 34

MORAL AGENCY & ACCOUNTABILITY

- Moral agency is a foundational doctrine—individuals are accountable before God for their choices
  - Church leaders do **not** give binding financial or legal direction
  - Financial decisions—including tithing methodology—are left to **personal revelation**
- Estate planning implications
  - Incentive trusts should be **encouraging, not coercive**
  - Precatory language often preferred over rigid mandates
  - Avoid delegating doctrinal interpretation to fiduciaries
- Scriptural references
  - 2 Nephi 2:27 (agency)
  - Doctrine & Covenants 58:26–28

THE ETERNAL FAMILY

- Families may be sealed for time and all eternity through priesthood authority
- Estate plans often aim to:
  - Foster unity
  - Avoid contention
  - Preserve family harmony beyond death
- Planning tools
  - Family councils
  - No-contest clauses
  - Arbitration provisions may support these goals
- Scriptural references
  - Doctrine & Covenants 132:19; Malachi 4:5–6; Genesis 12:3; Abraham 2:11
  - President Russell M. Nelson, “The Temple and Your Spiritual Foundation,” Oct. 2021 General Conference

MARRIAGE, DIVORCE, AND FAMILY SIZE

- Marriage is viewed as a sacred and eternal covenant, not merely a civil arrangement
  - Prenuptial agreements:
    - Not doctrinally prohibited
    - Sometimes viewed as spiritually inconsistent with unity
    - May still be appropriate in specific circumstances
  - Larger family size often influences trust structure and creates planning complexity
- Drafting Implications
  - Sprinkle / pot trusts
  - Flexible discretionary standards
  - Avoid overly fragmented subtrusts in modest estates

EDUCATION & MISSIONARY SERVICE

- Education is considered a religious responsibility tied to spiritual growth and stewardship
  - Missionary service is a common and anticipated life event
    - Young men (~2 years)
    - Young women (~18 months)
    - Senior couples (1–2 years)
    - Predictable financial costs
- Drafting recommendations
  - Include missionary expenses within:
    - "Education"
    - Or a separate authorized distribution category
  - Direct gifts through official Church channels for deductibility (*Winchester*, 42 T.C. 492 (1964); and *Davis*, 495 U.S. 472 (1990).

STEWARDSHIP & FINANCIAL RESPONSIBILITY

- Wealth is viewed as a stewardship entrusted by God, not absolute ownership
  - Members are counseled to avoid:
    - Excessive risk
    - Speculation
    - Unsustainable debt
- Drafting implications
  - Socially responsible investment authorization
  - Budget-conscious distribution guidance
  - Fiduciary sensitivity clauses
- Scriptural References
  - Doctrine & Covenants 104:11–17
  - Doctrine & Covenants 89:5–7 (Word of Wisdom)

CHARITABLE GIVING & TITHING

- Tithing is an act of faith guided by personal agency rather than rigid formulas
  - Charitable planning is often values-driven
  - Tax efficiency as a secondary benefit
    - Tithing donations are tax deductible (IRC § 642(c))
- Numerous unanswered questions exist—left to personal agency. *E.g.*:
    - Net vs. gross income
    - Retirement accounts
    - Estate-level tithing
- Planning vehicles:
  - DAFs, CRTs, and Church-affiliated charitable vehicles
- Scriptural references
  - Doctrine & Covenants 119; Malachi 3:10

TRUST DRAFTING CONSIDERATIONS

- Trusts should expressly authorize charitable distributions to preserve tax benefits
- Fiduciaries should be selected for sensitivity to the client's religious values
  - Key caution: Church leaders should generally **not** be named as fiduciaries in ecclesiastical roles
  - Institutional trustees may lack religious context
  - Flexibility may be enhanced through powers of appointment or trust protectors

HEALTH CARE & END-OF-LIFE DECISIONS

- The body is viewed as sacred, and life as a divine gift
  - Euthanasia and assisted suicide are not doctrinally supported
  - Withdrawal of extraordinary life support may be permitted
  - Organ donation is a matter of personal choice
  - Autopsies are allowable; the Church advocates following the law
- Scriptural references
  - Alma 11:42–45
  - Articles of Faith 1:12
- Church policy
  - General Handbook §§ 34.7, 38.7

FUNERALS & DISPOSITION OF REMAINS

- Funerals emphasize **resurrection** and **eternal family relationships**
  - Burial is historically preferred, though cremation is permitted, especially where laws and customs require
  - Endowed members often desire burial or cremation in sacred temple clothing
  - Clear written instructions can reduce confusion and family disagreement
- Drafting recommendation
  - Explicit funeral and burial instructions reduce family conflict.
- Sources
  - General Handbook §§ 29.5, 38.7
  - Alma 11:42–45

KEY TAKEAWAYS FOR PRACTITIONERS

- Estate planning for Latter-day Saints integrates legal, tax, and spiritual considerations
  - Cultural fluency enhances advisor-client trust and planning effectiveness
  - Well-aligned plans can preserve family harmony and honor deeply held beliefs
- Closing theme
  - Estate planning is not only about transferring wealth—but about honoring covenants, fostering unity, and exercising faithful stewardship

Contact Information

We welcome your comments, suggestions and inquiries

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