

Review your will periodically

Your plans for the disposition of your estate—and for the financial security of your family—should be reviewed every year or two.

Providing assistance outside your will

It isn't difficult to add a charitable bequest to your will. A simple codicil, drafted by your attorney, will get the job done. But there also are ways you can continue your support of our programs without changing your will. Here are some ideas:

Gifts from donor advised funds

Donor advised funds represent gifts for which donors have already taken charitable deductions while retaining the right to make recommendations for distributions in future years.

After your lifetime, depending on the donor advised fund sponsor and the rules of the fund:

- One or more successors can be named to advise gifts.
- You can name us and other charities to receive the remaining balance.

- The fund will continue, with a percentage paid annually to us and other charities that received gifts during your lifetime.

- The fund will continue to be held by the sponsor, with distributions made at the sponsor's discretion.

You can recommend us to receive all or a portion of the balance in a donor advised fund, similar to leaving a gift through a will or living trust.

Beneficiary designations

As noted earlier, you can name us the beneficiary of your life insurance—just contact the company. A better idea may be to transfer actual ownership of the policy to us or buy a new policy for our benefit. Your gift will entitle you to an income tax deduction, and future premium payments will be tax deductible.

People who own IRAs and other retirement accounts are often shocked to learn that a large percentage of their accounts can be lost to taxes. A combination of estate taxes and income taxes can deplete your savings, leaving little remaining for your heirs. You can leave your IRA to us, however, and avoid taxes.

It's also possible to use your IRA to benefit both family members and our future, with excellent tax results. You can transfer retirement benefits to a charitable trust that would pay income for 10, 15 or 20 years to a beneficiary, with an eventual gift to us. The trust would greatly reduce any federal estate

taxes, and any income taxes—state or federal—would be minimized upon your death.

Retirement plan distribution rules allow you to name charities or charitable trusts as beneficiaries of part or all of your savings without fear of exhausting the account prematurely. You can name us as beneficiary of part or all of your retirement plans without increasing annual distributions during life.

Steps to take

It's important to review your beneficiaries from time to time. If you would like to make a change, most financial institutions have an online form that allows you to designate or make changes to the beneficiaries on your accounts. Typically, the information you will need is:

- Beneficiary's name/Charity's legal name
- Beneficiary's date of birth and social security number/Charity's EIN number
- Beneficiary's/Charity's address & contact information

POD and TOD accounts

Most states permit POD (payable on death) or TOD (transfer on death) accounts at banks, building and loan associations, savings banks and credit unions. Depositors may indicate

that their deposits—checking, savings, share accounts, certificates of deposit, etc.—be POD to a particular person or charity.

The POD designation can be revoked at any time and in no way affects your control over the deposit. TOD laws, which exist in all states, permit you to designate beneficiaries for brokerage accounts.

Learn more

If the ideas presented here are of interest to you, please let us know so we can provide more information to you or your advisors, confidentially and with no obligation. We are available to assist in any way with the charitable aspects of your planning.



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Estate Plan

PLANNING
YOUR BEQUESTS



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This code provides additional information to assist you in your planning or to share with your advisors.

Even if you have a will, periodic reviews are important. Changes in law at the federal and state levels may occur. A move to another state may require a change in the language in your will even though your objectives are the same. A beneficiary's circumstances may change.

Are you going to work, save and accumulate property and then let the state decide how your assets will be distributed after your lifetime? Having an updated will ensures your wishes will be carried out after you are gone. Will drafting can be quite complex—it is not a do-it-yourself project. Your attorney can determine whether your will needs updating.

Accomplish your objectives

A well-planned will is often the centerpiece of an effective and thoughtful estate plan. There are a number of ways to make gifts (also known as bequests) in your estate plans. To provide for those you care about, you may use several different types of bequests in your will.

General bequest

The *general bequest* is perhaps most common. It directs a set amount of money be paid to a particular beneficiary or beneficiaries.

The general bequest is a primary charge against your estate and must be satisfied even if property must be sold to obtain the cash.

Specific bequest

The *specific bequest* directs a particular property be given to a beneficiary. If you do not own the specific property when you pass away, the intended beneficiary receives nothing. Other assets cannot be substituted, so make sure you review your will from time to time.

Residuary bequest

The *residuary bequest* directs that a beneficiary or beneficiaries receive all or a part of any assets remaining in your estate after payment of taxes, debts, settlement costs and general and specific bequests.

Your bequest to our future

You can use any of these basic types of bequests to benefit us—a general bequest of a stated sum of money, a specific bequest of a described piece of property or a residuary bequest. Whatever the form, careful planning and skilled advice from advisors can be of great importance.

How do you want us to use your bequest? There are splendid opportunities available to benefit an area of endeavor in which you are particularly interested or to memorialize a loved one.

You'll want to carefully consider exactly how you want to include us in your plans. We'll be happy to discuss the many opportunities available to make a personally satisfying bequest.

Taxes and planning

Few estates are subject to federal estate tax, but if the estate tax is a threat to your estate, keep in mind that everything you leave for our benefit is fully deductible for federal estate tax purposes. With careful planning, your bequest may even save income taxes for your estate.

Some alternative plans

If you would like to continue your support after your lifetime, we have listed several ways you can include us in your estate plans. There are other methods.

Perhaps you would prefer to name us as the beneficiary of a life insurance policy. The proceeds will completely avoid any federal estate tax that may be due.

If you have established a revocable trust to handle your investments, consider naming us to receive all or part of the trust property at your death—or at some time thereafter. Such a plan can produce the same favorable tax consequences as a bequest.

Consider making a split-interest gift during life. Though you reserve a right to receive a specified income during life—and income is also payable to a member of your family after your death—such a gift can bring an immediate income tax deduction as well as a later estate tax deduction.

Techniques for planning bequests

As you make or update your estate plans, there are a few additional things to consider.

Review specific charitable bequests

If you have made a bequest of specified property (e.g., stock in XYZ corporation), make sure you still own that property when you review or update your will.

Check state laws

In some states, limitations are placed on a person's freedom to dispose of property as they see fit. For example, it may be necessary to make certain minimum provisions for specified family members.

Failure to comply with state requirements can create costly complications and prolong the administration of your estate.

Consider a percentage bequest

Because the value of your estate may change over time, it may be wise to leave a percentage or share of your residuary estate rather than specific property or a specific sum of money. It may be the best method to carry out your objectives.

Use a revocable trust

In many states, attorneys recommend using a revocable trust as a partial substitute for a will. The trust is set up during your life. You may make your life insurance and employee benefits payable to the trust. You may want to place securities or other property in the trust. Remember, the entire trust can be changed or canceled during your life. At your death, the trust becomes absolute and irrevocable.

With a carefully planned trust, your will can simply direct that all or part of your estate be paid over to the trustee. Depending on your particular circumstances, the revocable trust and pour-over will may offer important advantages over the usual will arrangement.

Choose your executor carefully

Choosing the proper person to administer your estate is important. Settling an estate is frequently a complex task. Consider naming your attorney, the trust department of your bank or an experienced friend or relative as your executor.

Though the executor clause of your will may be the last item in a lengthy document, selecting the proper executor can mean a great deal to the success of your entire estate plan.

Sample bequest language

With your gift through your will or trust, you can provide for our future. Here is some sample language to share with your attorney: "I give, devise and bequeath to [Charity's Name] located at [Charity's Address], a qualified 501(c)(3) charitable organization the sum of \$ _____ [or _____% of my residuary estate; or all the rest, residue and remainder of my estate] to be used for the benefit of [Charity's Name]."