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PLANNED GIVING BRIEFS

What Legacy Will You Leave?



WE ALL DESIRE SIGNIFICANCE – TO LEAD HAPPY AND FULFILLED LIVES SURROUNDED BY FAMILY AND FRIENDS. FOR MANY OF US, THERE IS A COMPELLING NEED TO MAKE A DIFFERENCE – TO LEAVE A LASTING IMPACT ON THE PEOPLE MOST DEAR TO US AND THE WORLD IN WHICH WE LIVE. The search for significance and desire to plan for the future leads many to ponder their legacy. What kind of legacy will you leave? A bequest is perhaps the easiest and most tangible way to have a lasting impact on the people and organizations that mean the most to you. A bequest may also be an effective way to make a gift to charity and lessen the burden of taxes on your family and estate.

An Easy Gift to Make

A charitable bequest is a bequest written in a will or trust that directs a gift to be made to a qualified exempt charity when you pass away. One benefit of a charitable bequest is that it enables you to further the good work of an organization you support long after you are gone. Better yet, a charitable bequest can help you save estate taxes by providing your estate with a charitable deduction for the value of the gift. With careful planning, your family can also avoid paying income taxes on the assets they receive from your estate.

A bequest is one of the easiest gifts to make. With the help of an advisor, you can include language in your will or trust specifying a gift to be made to family, friends or charity as part of your estate plan

A bequest may be made in several ways:

- Gift of a percentage of your estate
- Gift of a specific asset
- Gift of the residue of your estate.



Other Types of Bequests

Certain types of property pass outside of a will or trust. These assets require that you name a beneficiary by completing a beneficiary designation form. To make a Bequest of these assets, you should contact the company or entity from which you purchased the asset. Here are a couple of examples:

Bequest of Insurance Policy

An insurance policy makes a nice bequest to charity. As an asset of your estate, an insurance policy is taxable at your death. However, if the policy is gifted to charity, your estate avoids paying tax on the value of the policy and receives a charitable deduction for the gift. You may generally name anyone as beneficiary of your insurance policy and change your designation at anytime. Contact your insurance company to obtain a beneficiary designation form and make a bequest of your policy to charity.

Bequest of an IRA

A retirement asset like an IRA account makes an excellent bequest to charity. If the IRA were given to your family, much of the value would be depleted through estate and income taxes. By designating charity as the beneficiary of part or all of your IRA, the full value of the gift is transferred tax free at your death and your estate receives a charitable deduction. If you wish to leave your IRA to your spouse at your death, you may also designate charity as the secondary beneficiary of your account. Contact your IRA or retirement account custodian to obtain a beneficiary designation form and make a bequest from your IRA.