

What Legacy Will You Leave?

We all desire significance -- to lead happy and fulfilled lives surrounded by family and friends. And 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. And a bequest may be an effective way to make a gift and lessen the burden of taxes on your family and on your estate.

The Benefits of a Charitable Bequest

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 volunteer with or 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.

An Easy Gift to Make

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 Variety of Options

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

A Bequest to Further Good Work

Linda and Marty McCallum were volunteers for many years with their favorite charity. The work of the organization was very important to them. They already made current gifts, but wanted



to do more. The McCallums learned that they could help by making a bequest. Their attorney revised each of their wills to include a provision gifting a percentage of their estate to the charity. The McCallums liked the fact that the bequest was easy to do, they could continue to use their assets during their lives and their estate would be permitted a charitable deduction for the gift at their death. Best of all, the bequests would help achieve their goals by furthering the organization's mission far into the future.

A Bequest with Tax Savings

Eva Morris was a widow with two grown children. She had a great love for the work of a special charity and wanted to include a charitable gift in her estate plan. Eva's estate included some stocks, real estate and savings bonds. Eva learned that if she gave her savings bonds to



her children, very little would be left for her family after paying estate and income taxes. Her attorney recommended that she give the appreciated stock and real estate to her children, because these assets would receive a step-up in basis in her estate. The children could then sell these assets immediately and pay little or no tax. At the advice of her attorney, Eva designated the charity as the beneficiary of her savings bonds. Eva was delighted that she could make a tax-friendly gift to her children, and her estate would receive a charitable deduction for the gift.

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 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.

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.

Request Further Information

I have reviewed your brochure on Bequests and:

- I would like to speak with someone who can provide additional bequest information.
- I would like to receive information on other charitable tax planning options.

Name _____

Street _____

City _____

State / Zip _____

Home Phone _____

Work Phone _____

E-mail _____

Please complete and return. All inquiries are treated with complete confidence.



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What Legacy...



...will you Leave?