

# A Gift in Your Will

*How to Meet Your Charitable Goals*



## **Why Make Gifts Through Your Will?**

Gifts made through a will are an extremely popular way of providing long-term support for the charitable organizations that mean the most to us.

There are many reasons donors choose to make these gifts: the opportunity to make a

statement about personal values, the satisfaction of supporting an important cause to benefit future generations, or the chance to honor a loved one or provide a gift that inspires others to give.

Tax planning can be an important factor in this decision. With some foresight, you can make a gift in your will that helps you meet specific planning goals.

## Planning a Gift in Your Will

Every gift in your will should accomplish these important objectives:

- Provide personal satisfaction.
- Complement important personal goals as an integral part of an estate plan.
- Enjoy tax and financial rewards for your family or other beneficiaries.

## Flexible Planning

Gifts in your will can take different forms, so it is important to plan your gift in a way that will accomplish all of your estate objectives.

Your gift can be outright or deferred. It can be absolute or contingent upon certain events. It can honor a beloved family member or cherished friend. It can provide general support to the charity or be restricted to a purpose you feel is especially important.

And because your gift is made through your will, or through a codicil to your will, it is simple to include one or more charitable organizations in your plans. When you make a gift in your will, you retain full use of your property during life, so there is no immediate out-of-pocket cost, reduction in net worth, or disruption of cash flow. What's more, you can change your gift at a later time, which means you remain in complete control of the process.

## Your Gift: Outright or Deferred

Typically, when we think of a gift made through a will, we see it as a direction to distribute a specific asset or to pay a certain sum of money to a designated charitable beneficiary. This is an outright gift and is the most popular method of benefiting a charity. But a gift in your will can also be deferred, with individual beneficiaries receiving immediate benefits and our institution receiving benefits at some later time.

## An Outright Gift in Your Will

You can make an outright gift in your will simply by indicating a specific sum of money or a specific asset (for instance, 100 shares of stock) be used to make your gift.

Alternatively, your gift can be a specified percentage of the value of your estate. Under this form of gift, the charity shares in the increase or decrease of the value of your estate. Because the value of an estate can change quickly and dramatically, a percentage gift is often the best way to accomplish your personal objectives.

You could decide that a residual gift to charity will best accomplish your objectives. The residue of an estate is the amount remaining after all costs, debts and taxes have been paid and all monetary and specific bequests have been satisfied. This form of charitable bequest can be especially appropriate if you want other bequests in your will to have priority.

For example, if you definitely want specific properties or dollar amounts to go to individual beneficiaries and you want to provide a benefit for us only after these priority bequests are paid, a residual charitable bequest may very well be your best option. Of course, you can name several residual beneficiaries and specify exactly how your residual estate is to be divided among named beneficiaries.



## The Choice is Yours

**In planning your outright gift in your will, you have several basic options.** Your personal objectives should determine the exact form of your gift. Consult your attorney for advice on your situation. And, of course, we will be pleased to provide any assistance you or your attorney may need in planning your gift.

## UPDATING YOUR WILL IS EASY

If you have a will, you can include a gift to our organization through a codicil without executing a new will.

A codicil is simply an addition to your will and is commonly used to add gift designations.

Keep in mind, however, that a codicil must meet all the requirements of the laws of your state for the execution of a valid will. Generally, it must be signed by you in the presence of witnesses who must attest to the execution of the document.

Certainly, you should rely on your attorney to draft your will or add any additional codicils. Make certain you identify our institution by its formal legal name.

## Financial and Tax Benefits

Charitable gifts are motivated by our donors' desire to provide meaningful financial support. However, tax rewards are not to be ignored. In certain cases, tax benefits permit donors to give more to charities than would otherwise have been possible.

Every dollar given to a qualified charitable organization through a gift in your will is fully deductible for federal estate tax purposes when legal requirements are met. Indeed, an estate tax deduction can be allowed for a deferred gift to our organization even though the gift provides income benefits to individual beneficiaries.

If your estate may be subject to the federal estate tax, minimizing the impact of this tax on your beneficiaries becomes an important consideration. There are many time-proven methods of minimizing estate taxes, including both outright and deferred gifts in your will.

Let's see how a deferred gift can minimize estate taxes and add to the financial security of your family and other individual beneficiaries.

## A Deferred Gift in Your Will

A deferred gift in your will can add a great deal of flexibility to your overall estate plan. With this special form of gift, you can benefit one or more family members while providing a deferred gift to our organization.

A deferred gift can take different forms but, generally speaking, it will pay an annual income to one or more individual beneficiaries for life (or for a period of years), with the property passing to us once the income payments end. A deferred gift is an excellent tool for providing for dependent relatives while fulfilling your philanthropic wishes.

*Example:* Ava, a 70-year-old widow, wants to make a gift to memorialize her late husband Jerry's support of our organization. She has an older sister, however, who needs financial help. By setting up a charitable remainder trust in her will, Ava can direct that at her death income will go to her sister for life, with the remainder interest left to us as a deferred gift after her sister dies. Ava can be assured that her



### **A GIFT IN YOUR WILL CAN PERPETUATE YOUR ANNUAL GIFT**

Suppose you usually make an annual gift of \$2,000. A \$50,000 gift to us in your will could be endowed so that it distributes \$2,000 in its first year (given a 4.0% endowment payout), and the endowment continues to generate income year after year.

This gift arrangement will benefit our mission for many years to come. Ask us how you can help shape our future with a well-planned gift in your will.

sister is supported all of her life. She has honored her husband's memory, which brings her great joy. What's more, Ava's estate enjoys a charitable deduction for the present value of our remainder interest.

## **Planning Your Personally Satisfying Gift**

There are many exciting and practical techniques for making a generous gift in your will. We sincerely hope that you will include us in your plans. If you do choose to make a gift in your will to support our work, please let us know. We can help you plan your gift in a way that achieves maximum tax benefits and personal satisfaction. Equally important, you will help us plan for the future because we know we can depend on your generous support.

Please call us with any questions. We welcome the opportunity to review all of the available memorial gift options and discuss how your gift can play a meaningful role in our future and perpetuate your life values.