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PLANNED GIVING BRIEF

CHARITABLE BENEFICIARY

A tax-wise way to
leave a legacy



Advantages of Beneficiary Designation Gifts

- **Revocable**—You can modify or revoke the beneficiary designations at any time during your lifetime.
- **Avoid Probate**—Gifting assets via a beneficiary designation will avoid the probate process.
- **Easy to Do**—Simply fill out a brief beneficiary designation form provided by the plan or account administrator. (You will need the legal name and tax ID number of your church).
- **Tax Savings**—By making a gift of your retirement plan to your church, your estate will receive a 100% charitable deduction, thereby saving estate taxes, and will avoid the income taxes on those assets. By comparison, if your estate were subject to the estate tax, your retirement plan would be subject to estate taxes, and if you left your retirement plan to children or grandchildren, those assets would result in substantial income taxes. From a tax perspective, your retirement plan is a “good” asset to leave to charity and can be a “bad” asset to leave to family.
- **Inexpensive**—In most cases, there is no need to amend your will or trust, thus saving legal fees.

IS A BENEFICIARY DESIGNATION GIFT RIGHT FOR YOU?

If you are interested in or have questions about making a beneficiary designation gift to impact the ministry of your church, please contact us.

The names and images shown here are representative of typical donors and may or may not be actual donors to the organization. Under federal rules your benefits may be different from this example. Please contact us for your specific benefits.

This information is not intended as tax, legal or financial advice. Gift results may vary. Consult your personal financial advisor for information specific to your situation.

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A BENEFICIARY DESIGNATION GIFT TO IMPACT OUR WORK

Etta and her late husband Luther had been longtime supporters of their church. She had been thinking about how she could make a significant gift to support the ministry of the church. She met with her attorney to explain her goals and describe her assets. Originally, she thought about leaving her IRA to her kids and other assets to charity.

Her attorney suggested a different strategy. He explained that if her children inherited the IRA, the estate would pay estate taxes, and her children would pay income taxes on the IRA. But, by giving the IRA to charity and other assets to her children, Etta could still provide a nice inheritance to her children while avoiding the income tax!

Etta contacted her IRA custodian, who sent her an IRA beneficiary designation form. She completed the form, named her church as the primary beneficiary of her IRA and mailed the form back. Etta was thrilled with the plan.