

PLANNED GIVING

Continuing Your Legacy of Generosity



Through a Planned Gift to establish or grow your fund at the Foundation, you can create a future source of support for the causes you care about. Planned Giving simply means planning now to leave a gift after your lifetime. Often, generous people decide to give in this way because they don't have heirs or their heirs are already provided for, they want to pass on their values, or they simply want to make a difference in their community for future generations.

Whether you've always supported your favorite nonprofit or cause, or you've always wanted to, a Planned Gift empowers you to make an enduring contribution through your charitable fund. The Foundation is dedicated to carrying out your wishes, and we will work with you and your professional advisors to ensure that your fund will achieve your unique charitable goals.

GETTING STARTED IS EASY

You can create the framework now for giving to your favorite causes after you are gone by filling out a simple Legacy Fund agreement. Once established, that agreement can easily be updated throughout your lifetime to reflect your changing interests – at no charge. You can work with your legal and/or financial advisors to determine the assets you plan to give once your estate is settled.

PLANNED GIVING OPTIONS

SIMPLE BEQUEST

Naming your fund as the beneficiary of a gift through your will or estate plan allows you to feel good about your contribution now, while not having to part with your assets until after your lifetime. When planning a gift through your will, it's sometimes difficult to determine what size donation will make sense. You need to make sure your family is taken care of first, and emergencies do happen. Making a bequest of a *percentage of your estate* ensures that your gift will remain proportionate no matter how your estate's value fluctuates over the years.

The suggested bequest language is very simple: "I [Name], of [City, State, Zip Code], give [Particular Asset; Fixed Dollar Amount; Percentage of the Estate; or Description of Property] to [Your Fund Name] at the Sacramento Region Community Foundation."

We can help you create an addendum to your fund agreement that will spell out the exact details of your plan for giving, and you can update it at any time at no charge.

There are many reasons to give through a bequest:

- **Flexibility.** Because you are not actually making a gift to your fund until after your lifetime, you can change your mind at any time.
- **Versatility.** You can structure the bequest to leave a specific item or amount of money, make the gift contingent on certain events, or leave a percentage of your estate to your fund.
- **Tax Relief.** Your estate is entitled to an estate tax charitable deduction for the gift's full value.

RETIREMENT PLAN ASSETS

When you name your fund as the beneficiary of all or part of your retirement plan assets, such as a 401(k) or IRA, you don't part with a single penny today – and you protect your estate from taxes later. You can eliminate income taxes on any portion of your retirement plan assets that you leave to your fund. Otherwise, the retirement assets that you leave to your family could be eroded by income tax of up to 35%. So, instead of supporting your community, you will be "donating" to the IRS.

LIFE INSURANCE

Your life insurance policy can become a charitable asset when you name your fund as the beneficiary of all or a portion of the policy's death benefit. It's a simple and generous way to pass on your values.

IT IS POSSIBLE TO GIVE AND RECEIVE

Many of our donors use the following gift options as time-tested ways to give and receive. Each will allow you to enjoy tax benefits while receiving a fixed rate of return annually for a specified period of time, and you can ensure that your assets are used to benefit the community in ways that are meaningful to you.

CHARITABLE GIFT ANNUITY

With a Charitable Gift Annuity (CGA), you can make a gift of cash or appreciated assets to your fund which, in turn, provides you with fixed payments for life and an immediate tax deduction. After your lifetime, the remaining amount of your gift goes directly into your charitable fund at the Foundation. Through this arrangement, you can increase your income now and receive numerous tax advantages, including:

- A partial income tax charitable deduction.
- Partially income tax-free payments for your estimated life expectancy.
- Capital gains tax on appreciated property, spread throughout your estimated life expectancy.

For example, if you and your spouse are 75 years old and you open a CGA for \$50,000, your annual payout will be \$2,500 per year for both lifetimes. That's a guaranteed annual return of 5% (effective rate of 6.9%). After you are both gone, the funds remaining in your CGA will be added to your fund which will continue giving to the causes you care about.

CHARITABLE REMAINDER TRUST

With a Charitable Remainder Trust, you use cash or appreciated assets to fund a charitable trust and decide on the size of the payments (within IRS limits) to yourself and/or others you choose. The trust assets remaining at the end of the beneficiary's lifetime go to your fund at the Foundation. You also receive tax advantages, such as:

- A partial income tax charitable deduction based in part on the amount you contribute to the trust.
- Elimination of any up-front capital gains tax when you fund the trust.

CHARITABLE LEAD TRUST

A Charitable Lead Trust – often described as the opposite of a Remainder Trust – may be an excellent way to grow your charitable fund at the Foundation now and take care of your family later. You can use cash or appreciated assets to establish the trust, which will make periodic payments to your charitable fund at the Foundation. At the end of the trust's specified time period, the remaining assets will be distributed to the individual(s) of your choice. A Charitable Lead Trust may provide you and your family with many benefits, including the following:

- It is a generous way to grow your charitable fund with regular, dependable gifts – and you can direct the giving from your fund during your lifetime and beyond.
- You can specify the time period of the trust, allowing you to time the passage of assets to your heirs when the funds may make a big difference in their lives, such as a mid-life career change or when their children enter college.
- A Lead Trust allows you to transfer assets to your heirs at a reduced gift and estate tax cost because the assets in the trust are removed from your taxable estate.

Of course, we always recommend that you consult your legal and/or financial advisor when considering a planned gift through the Foundation.

WE'RE HERE TO HELP YOU!

Learn more about the Foundation and Planned Giving by visiting us online at www.sacregcf.org, in person at 955 University Avenue, Suite A in Sacramento, or by calling us at (916) 921-7723.