

Legacy Giving Options with the Jewish Community Foundation, Inc.

Type of Gift	Cost Involved?	Earn Income?	Give Now?	Tax Benefit Timing
Bequest in will or trust	Potentially— Legal fees	No	No	Upon estate settlement
Designation in 401(k) or IRA	No	No	No	Upon estate settlement
Appreciated security donation	No	No	Optional	Immediate upon donation
Life insurance	Yes—insurance premiums (tax deductible if JCF owns policy)	No	Optional	Upon estate settlement, or immediate upon donation
Real estate/other appreciated property	Varies—though likely lower costs compared to selling property	No	Optional	Upon estate settlement, or immediate upon donation
Charitable lead trust	Yes—Legal fees	Yes, for beneficiaries	Yes	Immediate upon donation, and future years
Charitable gift annuity	No	Yes	Yes	Immediate upon donation, and future years
Charitable remainder trust	Yes—Legal fees	Yes	Yes	Immediate upon donation, and future years

*Please note that these descriptions are informational only, and do not constitute legal or tax advice.
Please consult with a financial or estate planning professional to understand the implications of a gift for your particular circumstances and goals.*

Descriptions of Legacy Giving Options

GIFTS FROM YOUR ESTATE

Bequest in your will or trust

- you can make a bequest gift of a percentage of your estate, the remainder of your estate, specific property or a specific dollar amount
- the estate may receive a tax deduction in the amount of the charitable bequest
- if you already have a will, an attorney can help arrange a charitable bequest with a simple amendment or codicil
- the JCF is here to help you create your own easily modifiable legacy plan to your favorite charitable organization(s) at no cost

Sample bequest language:

I give, devise, and bequeath X% of my residuary estate to the Jewish Community Foundation, Inc. (TIN 20-1260545) to establish an endowment fund to benefit (name of charitable organization(s))

Retirement plan (401(k) or IRA) designation

- you can name one or more charities as after-death beneficiaries of a retirement plan
- the most tax-wise option: whereas retirement plan distributions to heirs can be extremely high (exceeding 70% in some cases), retirement plan distributions to charity incur no taxes
- you can specify a percentage, a specific amount, or the remainder of the account
- contact your plan administrator for a form

GIFTS YOU CAN GIVE NOW

In addition to cash, you can give:

Appreciated, marketable securities

- incurs no capital gains tax
- provides a tax deduction for the fair market value
- can be donated in increments when the timing is right for your family when placed in a donor advised fund at the JCF

Life insurance

- you can give a new policy or a policy that is no longer needed
- provides a tax deduction for the value of the policy
- if the JCF is the owner and beneficiary of the policy, instead of paying premiums to the insurance company, you make tax-deductible gifts to us and we pay the premium
- upon the death of the insured, the proceeds will fund your legacy gift to your favorite charitable organization(s)

Real estate and other appreciated property

- is deductible at fair market value
- incurs no capital gains tax
- a popular asset for creating charitable remainder trusts and charitable lead trusts, which provide financial benefits both to the community and the donor

Charitable lead trust

- tax-smart method of giving to both family and charity
- established with real estate or other income-generating property
- makes charitable payments regularly and at the end of the term, transfers property to children with reduced gift and/or estate taxes, and no taxes on appreciation

GIFTS THAT PROVIDE INCOME

Charitable gift annuity

- provides the donor and/or another person such as their spouse, child or parent with income for life
- created in exchange for cash or marketable securities
- at the end of benefits, creates a legacy gift to the JCF's Community Endowment Fund to help SNJ organizations

Deferred gift annuity

- works the same way as a normal charitable gift annuity
- starts providing income at a fixed date in the future (rather than immediately)
- Until payments begin, the annuity may grow in value, providing more income for the donor and/or a larger gift for into the JCF's Community Endowment Fund

Charitable remainder trust

- enables you to make a gift that produces income for you or for loved ones
- take a pro-rated tax deduction now, leave the remainder to charity
- may reduce estate taxes accordingly
- can make fixed payments, or payments that change with the size of the trust
- upon the end of the term, the remainder of the trust becomes your legacy gift for your favorite charitable organization(s)

For more information contact:

Amy Deren Milgrim, Executive Director, Jewish Community Foundation, Inc. at 856-673-2541 or amilgrim@jfedsnj.org or visit www.EndowmentFunds.org.

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An Easy Way to Fund Your Legacy: Through Your Retirement Plan

Many people choose to leave a percentage of their IRA to charity as a simple and smart way to fulfill a legacy commitment.

Why Does This Make Sense?

1. **Flexibility:** You can always take money out of your IRA to cover your needs for the rest of your life. Your legacy gift will be funded with whatever is leftover in the IRA.
2. **Tax Savings:** Any dollars remaining in an IRA will be taxed at a relatively high rate (up to 80% based on 2014 rates) if left to heirs. Leaving it to charity assures that 100% will benefit the organizations you care about. In addition, most people only take the minimum annual withdrawal from their IRA after age 70 ½ because they have to pay taxes on what they withdraw. As a result, there is often a substantial amount left in their IRA.

Note: If you are worried about being taxed on your minimum annual withdrawal from your IRA, consult with your financial advisor as you may be able to rollover up to \$100,000 to charity without paying taxes on the rollover, if Congress approves the provision for this year.

3. **It's Easy and Free to Do:** There is no cost to changing your beneficiary, and it is as simple as filling out a form. Your IRA plan administrator can provide a beneficiary designation form also called a "Transfer on Death" or TOD form. (See reverse side with instructions.)
4. **Change at any Time:** If your personal or financial circumstances change, you can revise your beneficiary designations at any time, without penalty.
5. **Peace of Mind:** You can designate a percentage of what's left (and not a specific amount), so your decision is not dependent on how much is currently in the IRA or your age.
6. **Directing Your Gift:** We encourage you to consult with the JCF after you make your Beneficiary Designation, in order to establish an agreement, thus ensuring that your legacy gift goes to a specific cause that you feel passionate about.

Questions?

Please see the reverse side for instructions on filling out the Beneficiary Designation form. Your plan administrator may also be able to answer any questions, or contact Amy Deren Milgrim, Executive Director of the JCF, at 856-673-2541 or amilgrim@jfedsnj.org for further assistance.

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Helpful Guide to Leaving Your Legacy Gift

1. How to Designate Organizations as Beneficiaries of a Retirement Plan or Life Insurance Policy

If you have an existing retirement plan or life insurance policy and want to change the current beneficiaries to leave a Legacy Gift, contact your Plan Administrator and request a **“Change of Beneficiary Form.”** The following illustration is representative of what your form may look like:

3. Beneficiaries

Primary Beneficiaries

For each beneficiary you list by name, check a beneficiary type and provide all information.

A “non-spouse” is any individual who is not your spouse under federal law.

As an alternative to listing each child by name, you can check “Non-Spouse” and enter “All my children” in the Name box.

<input type="checkbox"/> Spouse	Name: If naming spouse as a beneficiary, do so here.		
<input type="checkbox"/> Non-Spouse	[Insert name of organization]		
<input type="checkbox"/> Trust	Social Security or Taxpayer ID Number	Date of Birth MM DD YYYY	Share Percentage <input type="checkbox"/> Per stirpes
<input checked="" type="checkbox"/> Other Entity			
<input type="checkbox"/> Non-Spouse	Name		
<input type="checkbox"/> Trust	Social Security or Taxpayer ID Number	Date of Birth MM DD YYYY	Share Percentage <input type="checkbox"/> Per stirpes
<input type="checkbox"/> Other Entity			
<input type="checkbox"/> Non-Spouse	Name		

Insert the Organization’s Tax ID Number here

Leave this field blank

Insert the % here

2. Sample Language for Your Will or Trust

In addition to funding your Legacy Gift through your retirement plan or life insurance policy, you may also designate charitable organizations as beneficiaries in your will or trust. For example:

As a Beneficiary of Your Will:

I give, devise, and bequeath [\$_____] or [____% of my residuary estate] to the Jewish Community Foundation, Inc., (TIN 20-1260545), 1301 Springdale Road, Cherry Hill, NJ 08003 [or insert other organization name and tax ID, city, and state of the organization] to establish an endowment fund to benefit [name of charitable organization(s)].

As a Beneficiary of Your Trust:

The trustee shall distribute [\$_____] or [____% of the principal and any accumulated income of the Trust] to the Jewish Community Foundation, Inc., (TIN 20-1260545), 1301 Springdale Road, Cherry Hill, NJ 08003 [or insert other organization name and tax ID, city, and state of the organization] to establish an endowment fund to benefit [name of charitable organization(s)].

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