NATIONAL DOWN SYNDROME CONGRESS

MassMutual FINANCIAL GROUP®

SpecialCare℠

Planned Giving Opportunities

Funding the Brightest Future for People with Down Syndrome

Ways To Provide A Legacy

Charitable Gift Annuity

A Charitable Gift Annuity is an agreement between the donor(s) (in many cases, a husband and wife) and a nonprofit organization. The donor(s) transfers assets as a gift, and in return the nonprofit promises to pay a fixed amount to the donor(s) for their lifetime. Annuity payments stop upon death of the donor(s), and the nonprofit retains the remaining funds. The dollar amount of the annuity payments is based upon the size of the gift, donor(s) age at the time of the gift and when payments are scheduled to begin. Payments can be deferred, allowing for a larger charitable deduction and greater annuity benefits. Gift Annuities provide substantial tax advantages. You receive a tax deduction the year your gift is made, and a portion of your annuity payments are nontaxable. Annuities cannot be legally changed, so great care should be taken to ensure that you have other resources to meet any future emergency needs.

Charitable Remainder Unitrust

The advantage of a Charitable Remainder Unitrust is to reduce taxes while donating cash, securities or property to a charity. This is an irrevocable agreement where you and your loved one receive income (usually a fixed percentage of the trust's value annually) and the designated charity receives the principal after a specified period of time. When you create a Unitrust, you claim a current year income tax deduction while designating a future gift. Where applicable, you avoid any capital gains tax on the assets given, and donated assets are removed from your estate, reducing subsequent estate taxes. The Unitrust is an irrevocable agreement, meaning that the terms cannot be changed. For this reason, it is important to make sure you have adequate resources to meet any future emergency needs.

Business Interests

Gifts of inventory items, patents, oil and gas properties, mineral rights, privately held corporate securities, commodities, real estate and other assets held for business purposes can be given to a non-profit organization.

Non-Cash Gifts

Many people believe that cash is the only way to make a gift. However, leaving items of value (such as vehicles, art, furniture, inventory and other non-cash items), has potential to provide funding for a non-profit organization. If you have a non-cash gift that you are considering as a donation to the NDSC, please contact us prior to assure that the items(s) fall within our ***Gift Acceptance Policy***.

Real Estate

Any type of Real Estate you own can be donated; a building, farm, rental property, business property, land or vacation home, as long as it is readily marketable and does not contain environmental contaminants. By donating appreciated real estate, you gain a significant tax advantage by potentially avoiding capital gains tax. Your charitable contribution deduction is for the appraised value of your property, so if the value of your real estate has decreased, it is more advantageous if you first sell the property and then donate the proceeds, and possibly deducting the long-term capital loss. In addition to an outright gift of real estate, there are other options to consider including using Real Estate to setup a Revocable Living Trust, an Irrevocable Deferred Gift, or a Deferred Life Estate Gift.

Life Insurance

Most people purchase a Life Insurance policy to provide for their children, protect their home mortgage, or secure retirement funds. Life Insurance policies may also be used to support a charity. Depending upon your needs and circumstances, there are a number of ways you can donate a policy. For example, you can name the NDSC as the owner and beneficiary of your policy, as the sole beneficiary, as a co-beneficiary, or secondary beneficiary. Alternatively, you may assign annual dividends as a charitable contribution, which may be deducted on your income tax return or you may fund a gift annuity with your policy. Tax benefits will depend upon the method of giving you choose.

Retirement Assets

Retirement Assets are tax-deferred retirement accounts designed to promote savings for retirement, and include profit sharing, IRAs, 401(k), 403(b), Keough and pension plans. As some individuals approach retirement age, they discover that they have accumulated more funds than they will likely use. If you have a larger estate, subject to both income and estate tax, retirement assets may be the best vehicle for you to give. You can give a portion of your retirement assets now without penalty, provided you are over 59 ½ years of age. Another option is to give Retirement Assets upon your death by designating the NDSC as the primary or contingent beneficiary, avoiding both significant income and estate taxation. By naming a charity as a beneficiary of a retirement plan, you maintain complete control over the asset while living, but at death, the plan passes to support the non-profit, free of both estate and income taxes.

Making a gift from your retirement plan is easy and should not require an attorney or any fees. Simply request a change of beneficiary form from your retirement plan administrator. When the form is complete, return the form to your plan administrator and also notify us of your gift. We can also assist you with the proper language for your beneficiary designation.

Stocks, Bonds, Mutual Funds, & Securities

If you would like to donate securities, it's important to know if they have increased or decreased in value since their purchase. If your securities have increased in value, donating them to a nonprofit will enable you to avoid capital gains taxes while potentially providing a charitable deduction for the fair-market value of your gift. In circumstances where your securities have depreciated, you will be better served by selling them first and donating the proceeds. This allows you to receive a deduction for your capital loss plus you gain a charitable deduction for the amount donated.

You may also elect to make a gift of securities by naming the NDSC as a beneficiary, either through your will or through a beneficiary designation account at your security brokerage firm. While you will not receive a charitable contribution deduction on your income tax returns, you will reduce the amount of your estate that may be subject to tax. In addition, assets in a beneficiary designation account avoid probate.

Additional Legacy options continued on the back cover.

Revocable and Irrevocable Trusts

A Revocable Living Trust is an arrangement you make for the management and distribution of your assets, creating a financial plan that can provide for your needs today while also designating future gifts. A Trust is a legal arrangement, and the designated trustee becomes responsible for holding and investing your assets, collecting income, paying normal expenses, and distributing net income.

The term "revocable" means that you can change the provisions in the trust. The term "irrevocable" means that it is not changeable, and the term "living" refers to the management of your assets while you are still alive. This relieves you of any concerns should you become ill or no longer want this responsibility.

Like a Will, a trust also determines how assets will be distributed upon death, but a trust offers additional benefits. Notably, a trust is a private document and not a matter of public record like a Will. Also, assets in a trust do not go through probate, potentially saving time and money. Your attorney or financial planner can further explain the differences between a Trust and a Will, and can set up your Trust for the NDSC.

Wills & Estates

A Will is a legal document that ensures your estate is distributed and your family is cared for as you direct. With a Will, your wishes are carried out. Without a Will, the state makes all major decisions, including how your assets will be distributed. No charitable gifts can be made from your estate without a stated designation through a Will. Naming the NDSC in your Will or Living Trust allows you to make a charitable gift while allowing you to maintain control over your assets during your lifetime. The terms of your donation are flexible and can be changed should you need to modify your charitable bequests.

Financial Account Beneficiary Designations

You can name a non-profit organization on your financial accounts. To do so contact your bank, broker or retirement account administrator and ask for the forms required to name a charity as your beneficiary.

Such accounts may be referred to as "Payable on Death" or "Transfer on Death" accounts. The accounts are still owned by you. You can make withdrawals from the account and can cancel, change, give away, or otherwise deal with the account as if no other person was named in the account. Upon your death, the assets in the account are paid or transferred to the beneficiaries you indicate.

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