



visions IN PERSONAL PLANNING

- Learn more about charitable bequests and beneficiary designations
- Short summary of the new tax law
- Please let us know

An Ongoing Commitment and an Enduring Legacy

Every year, we receive gifts that are the ultimate in generosity—bequests from thoughtful donors. Each is an expression of shared values between the donor and the Zeta Beta Tau Foundation.

There are many good reasons to put an estate plan in place—a sensible arrangement for how property will go to family and friends. And including a charitable bequest in your will or designating a charity as a beneficiary for a retirement account or life insurance policy stands for something more—a way to personally give back and a way to set an example for those you leave behind.

- A way to give back because you continue to support our mission
- A way to set an example because you demonstrate the importance of helping others

Philanthropy is much more than a one-time event or gift. It is an ongoing partnership. And for those who thoughtfully remember us in their estate planning, we deeply appreciate the opportunity to express our gratitude today.

In this issue of *Visions*, we discuss ways to leave a legacy through a charitable bequest or a beneficiary designation—both serve as a simple statement that makes a profound impact. Plus, there is information about the new tax law that went into effect on January 1st. If you would like to explore these ideas further, just contact us for more information.

Cordially, Fraternally and Sincerely,
Faron A. Lewitt

IMPORTANT TO KNOW

The latest *Giving USA Annual Report on Philanthropy* noted that there was over \$24 billion in bequest gifts in 2011—that's 8% of the total amount for charitable giving for that year and much more than the combined gifts of all U.S. corporations.

OUR PLANNED GIVING WEBSITE!

Visit www.zbt.org/plannedgiving to learn more about options for integrating tax-favored giving with your personal planning.

ZETA BETA TAU
FOUNDATION

How to Include Anyone (Including Us) in Your Will

How you include a charity in your will depends on what sort of gift you would like to make, and how you want to provide for your other beneficiaries.

Make a **specific** bequest

This bequest is an exact description of a dollar amount or specific asset from your estate to go to a beneficiary. It is very important that specific bequests be exact—vagueness can lead to confusion. Keep in mind that specific bequests are usually the first to be paid out of the estate.

When Anne made her will, she left her collection of fine porcelains to her niece and \$5,000 to our organization.

Make a **percentage** bequest

This bequest designates a fraction of the available estate to a beneficiary. Many prefer this kind of bequest because the relative size of the bequest is tied to the value of the estate, and that treats all heirs equally.

When Brian made his will, he left 45% of his estate to his son, 45% to his daughter, and 10% to our organization.

Make a **residual** bequest

This bequest assigns all the property that remains after the payment of administration costs, taxes, and expenses, and every other bequest has been satisfied. A simple way to describe the residue of an estate is that which is “left over.” After you have made provisions for individuals with exact amounts, you can give whatever is left of your estate to a worthy charity such as our organization. This option assures that your heirs are taken care of first.

When Carolyn made her will, she left \$250,000 to each of her four children, \$50,000 to her friend Helen, and whatever was left of her estate to our organization.

Make a **contingent** bequest

This bequest puts in place a “back-up” beneficiary—an individual or organization who will receive the gift only under certain circumstances. This option assures that unintended persons do not receive a gift originally meant for someone else.

When David made his will, he left his entire estate to his wife, Eunice. In the event she does not survive his death, his estate will be divided between four worthwhile charities.

Why Charitable Bequests Appeal to Donors

Charitable bequests have great appeal for many reasons:

- They are simple to make
- No money is required right now to fund a charitable bequest since the gift is taken from your estate
- You can always change your mind and change your will

You can include a bequest to us when you visit your attorney and prepare your will. Or, if you already have a will, see about adding a charitable bequest through an amendment called a “codicil.” Remember that a codicil needs to be done with the same legal formality as executing a will, so seek out the help of an attorney.



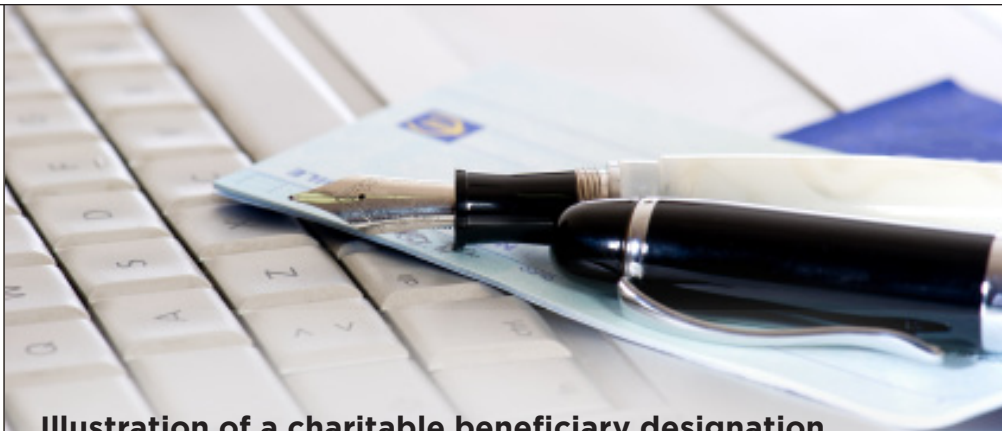


Illustration of a charitable beneficiary designation

Years ago, Frank purchased a \$50,000 life insurance policy to help provide for his daughter's education in the event of his premature death. The daughter has long since graduated and embarked on a successful career. A longtime supporter of our organization, Frank amended the no-longer-needed policy to name us as its beneficiary. Eventually, we will receive a significant gift that will greatly help us.

Helpful Facts about Beneficiary Designations

What is a beneficiary designation?

A beneficiary designation is a written statement of who should receive the proceeds of a savings account, life insurance policy, or IRA at the death of the holder. Usually, you list one or more beneficiaries when the policy or account is created.

Why are beneficiary designations important?

They are very important because a recorded beneficiary designation controls how the account or policy will be distributed upon your death. Many people are not fully aware that a will only covers those assets that go through probate—and not necessarily these accounts and policies.

How do I change a beneficiary designation?

Contact the administrator. They likely have your current beneficiary designations on file and can provide a form for changing a beneficiary or adding a new one.

Why should I name a charity as a beneficiary?

Naming a charity as a beneficiary for an IRA or a life insurance policy is another way of leaving a legacy. The same considerations that go into including a charitable bequest in a will apply here. Since philanthropic considerations are part of your estate planning, consider naming a charity as a beneficiary in order to meet your charitable giving goals.

IMPORTANT NEW LAW: THE AMERICAN TAXPAYER RELIEF ACT OF 2012

On January 1, 2013, Congress passed a new tax law called the American Taxpayer Relief Act which affects taxpayers in a variety of ways, including:

- Individual income tax rates (including capital gains and dividends) are higher for higher-income taxpayers
- The personal exemption phaseout and the limit on itemized deductions for higher-income taxpayers has returned
- The alternative minimum tax (also known as the “AMT”) has higher exemption amounts
- The top tax rate for gift and estate transfers jumped to 40%

One major highlight in the new tax law that favors charitable giving is the renewal of the **IRA Charitable Rollover**. Donors age 70½ and up can direct money straight from their IRA to a qualified charity. That amount does count towards the donor's required minimum distribution, but no federal income tax is due on the distribution. This is a unique, tax-wise way to give that is available for 2013 only.

Now is a good time to meet with your advisors to consider the impact of the American Taxpayer Relief Act on your planning. Please contact us for more information on the IRA Charitable Rollover

THE THREE PARTS THAT ENSURE A SUCCESSFUL CHARITABLE BEQUEST

1. You are, of course, the most important part of what makes a charitable bequest successful. You decide how your gift will shape your legacy.
2. Your attorney can help. When you make your will or amend an existing one, your attorney can precisely craft your charitable bequest to match your intentions.
3. We are available to discuss how your future gift can make an impact.

CALL US BY NAME

If you would like to make a bequest to our organization in your will, or designate us as a beneficiary of an account or life insurance policy, listing our exact legal name is important. Our legal name is Zeta Beta Tau Foundation, Inc.

PLEASE LET US KNOW

If possible, we would like the opportunity to thank you and recognize you for supporting us through a bequest or naming us as a beneficiary on your IRA or life insurance policy. We are especially interested in knowing how you would like the Foundation to put your gift to use. We look forward to discussing your ideas of what the gift can do. Also, we can check to be sure our exact legal name is outlined in your will or listed on your account or policy so that your intentions are met.

Learn How You Can Benefit

Choosing to leave a bequest to someone special has been a natural philanthropic endeavor since ancient times. Making provisions in advance for people and organizations we care for is a part of who we are.

If you would like to find out more about how you can personally benefit from planning a bequest, please send for our brochure, *Charitable Bequests—How to Get the Most Out of Yours*. It contains in-depth information about drafting and executing an effective will that can express who you are and what you value. It even provides appropriate sample language for drafting a charitable bequest—information you could share with your attorney. As always, if we can help you in any way, please let us know.

ZETA BETATAU FOUNDATION

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