



visions IN PERSONAL PLANNING

- Making it easy: simple, effective gift options
- Planning for your future and ours

Spring 2015

Rewarding Philanthropy

For most donors, there is much more to giving than tax deductions and the bottom line. People are often fundamentally motivated by a spirit of giving and the desire to create a meaningful legacy. As we contemplate leaving the world a better place than we found it, we focus on the causes that are important to us and the people furthering those causes. Fortunately, planning options provide the tools we need to turn hard-earned wealth into thoughtful gifts that can significantly impact meaningful charities while also providing us with financial or tax benefits.

In this issue of *Visions*, we present several giving options that not only help us further our mission, but benefit you either immediately or down the line. These are practical, effective ways

of making a difference through the Zeta Beta Tau Foundation. If you would like more information on how these giving methods can help you and us, please use the enclosed reply card or contact us by phone or email to request our helpful brochure, *Equip Yourself to Give*. It provides a concise yet thorough summary of gift options and how to meet planning goals.

Thank you for taking the time to consider strategies that can shape your personal philanthropic legacy. As always, we are happy to help you explore opportunities to support Zeta Beta Tau.

Cordially, Fraternaly and Sincerely,
Faron A. Lewitt

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

Making It Easy: Simple, Effective Gift Options

One misconception surrounding philanthropy is that gifts must be accompanied by complex documents full of legalese prepared by expensive professional advisors. The truth is that there are many simple, flexible options for giving. These stress-free giving methods also come with tax benefits, such as avoiding capital gains tax or receiving a charitable deduction. These gifts not only help you meet your legacy goals but they have an immediate impact on our organization.

CHARITABLE BEQUESTS: Giving through a last will and testament allows you to plan ahead to leave a meaningful gift. Since bequests are part of your estate planning documents, they cost little to establish. Another advantage is their flexibility—if your goals or needs change after you complete your will, you can easily amend it at any time with the help of your attorney.



GIFTS OF CASH: There is no gift so small that it cannot make a difference to our organization. If you want to help today and the timing is appropriate for you, writing a check is a simple way to complete a gift. We will quickly acknowledge your tax-deductible gift with the proper documentation so that you can receive tax benefits along with helping us reach our goals. If you would like information about specific services, programs, or initiatives you can support, please contact us. We would love to answer your questions and help you take steps to ensure that your gift is used according to your wishes.



GIFTS OF STOCK: A gift of stock will help you realize an even greater benefit than a simple gift of cash and it only requires a bit more work to complete. By giving appreciated stock held more than one year, you qualify for a tax deduction equal to the fair market value of the stock on the date when the gift was made. Most importantly, you will owe no capital gains tax on the appreciated amount.



GIFTS OF REAL ESTATE: Do you own real property that you no longer use or which has become burdensome to maintain? When you donate long-term appreciated property to us, you avoid capital gains taxes and can deduct the full fair market value of the property as a charitable contribution. Contact us for more information about the kinds of property we can accept and how to complete a gift of real estate.



WHY PLANNING STILL MATTERS

The federal estate tax exemption for 2015 is \$5.43 million. In addition, the American Taxpayer Relief Act of 2012 (ATRA) made portability a permanent feature of federal estate tax law, effectively doubling the amount that a married couple can pass to their beneficiaries tax-free. With these high exemption amounts, the estate tax may be less of an issue. What other tax issues should be part of your personal planning?

One issue to be aware of is the tax on net investment income. You are liable for an additional 3.8% tax on net investment income if you earn more than certain threshold amounts (\$250,000 for married filing jointly and \$200,000 for single filers). People already in the highest income tax bracket could see their tax rates go as high as 43.4% on income and 23.8% on capital gains.



Careful planning can help minimize this extra tax. For instance, taxpayers can take advantage of the gift tax annual exclusion to reduce their net investment income. Married couples can combine their yearly \$14,000 gift tax exemption for a potential exemption of \$28,000, making this a highly effective planning tool. Another option is contributing assets that would be considered net investment income to a charitable remainder trust, possibly avoiding the capital gains tax altogether.

So, even though your estate may be under \$5.43 million, planning can help avoid additional taxes. Contact a tax professional to assess your individual situation.

Planning for Your Future and Ours

Life is unpredictable, and at times it seems like there is very little under our control. Fortunately, most charitable giving options allow you complete control over who benefits from your gift. One of the best things about planned giving is that it not only helps you meet your philanthropic goals, but certain types of gifts can help you make larger contributions than you might have thought possible. These methods of giving make an immediate impact on our organization while helping you secure your financial future.



RECEIVE AN ADDITIONAL STREAM OF INCOME: A great option for giving and receiving, a charitable gift annuity will pay you a fixed income for life based on the property or assets you donate to our organization. Charitable gift annuities are simple contracts that are easy to create and do not require a large sum to establish. This is a great option for people who want to give but also want to secure an additional source of income in retirement.



MAXIMIZE YOUR GIFT POTENTIAL: Through charitable remainder trusts, many donors are able to have a greater impact than they initially thought possible. You choose how to fund the trust (cash, appreciated stock, or other property), name the income beneficiaries, and fix the amount (5% or more) to be paid each year for life or a term of up to 20 years. By fixing the payout amount, you are guaranteeing that your beneficiaries receive something as a result of your generosity. Charitable remainder trusts not only make an impact on our organization, but they can also provide security to beneficiaries of your choosing.



BENEFICIARY DESIGNATIONS

For some assets—life insurance policies, retirement plan accounts, IRAs—giving can be as simple as filling out a single form. By completing a beneficiary designation with the help of your advisor, you can ensure that your asset will go directly to our organization instead of being included in the value of your estate for federal tax purposes.

INCLUDING OTHERS AND DEVELOPING A PERSONAL STRATEGY

Although philanthropy is highly personal, there is often much to be gained by consulting others. The charitable arrangements you choose, the property you select, the advantages and disadvantages inherent in individual gifts, the particular tax considerations—all affect your personal philanthropic decisions. Consulting your financial advisors (including your attorney) can assist you in planning a strategy that:

- coordinates giving goals, asset distribution, and tax considerations
- benefits loved ones in specific and personal ways, and
- satisfies your passion to make a difference.

From simple gifts of cash or stock to more complex arrangements, integrating charitable giving with your overall planning strategy can be a rewarding and satisfying way to help others and shape your legacy.

Your Legacy, Realized

We hope this newsletter has shown you how effectively a simple giving option can help you plan for your future, reap tax benefits, and meet your charitable goals. Planning a legacy-shaping gift need not be complicated, and thoughtful personal philanthropy is always satisfying and rewarding. Our informative brochure, *Equip Yourself to Give*, may be helpful as you navigate through the options.

As always, please let us know if we can provide additional assistance to you and your advisors. Thank you for thinking of the Zeta Beta Tau Foundation as you make your plans.

ZETA BETATAU FOUNDATION

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