



VISIONS IN PERSONAL PLANNING

- Tax-wise giving
- Giving simply with beneficiary designations

Fall 2015

Thoughtful Ways to Help Zeta Beta Tau Make a Difference

As the year comes to a close, the inevitable question arises: Where did all the time go? Upon reflection, most of us find we spent much of our time doing what matters most to us, whether volunteering for a worthwhile organization, providing moral support to friends and family, or pursuing a hobby.

The end of the year is also a time to think about the future and consider the difference you can make with the legacy you leave. In this issue of *Visions*, we explore some simple yet effective ways to give that allow you to both contribute to our work and enjoy tax benefits.

We also invite you to order a free copy of *Essentials for Taxpayers*—a valuable digest of important tax facts, rates essential to preparing your 2015 income tax return, and basic rules about charitable giving.

As you look toward 2016, please feel free to contact us. We would be happy to answer questions, explore alternatives, or simply talk with you about your plans for the future. Once again, we thank you for your generosity and continued support.

Cordially, Fraternally 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

Tax-Wise Giving

Let's begin by looking at two common misconceptions about charitable giving:

- **People only give because of attractive tax benefits.** At our organization, we know that people make charitable donations because they want to make a difference. Still, there are simple ways to benefit worthy causes while enjoying income tax benefits as an additional reward for generosity.
- **Cash is “king” when it comes to giving.** The truth is, gifts of other assets can be just as rewarding and may offer additional benefits.

Let's explore some of these options.

Gifts of Appreciated Stock

Perhaps you own stock that you've held for more than a year, and that stock has doubled, tripled, or even quadrupled in value. If you sell, you would owe capital gains taxes on the appreciated amount. However, if you donate highly appreciated stock to us, you owe no capital gains tax. Instead, you:

- Contribute to our work
- Avoid capital gains tax on the appreciation
- Enjoy an income tax deduction based on the value of the stock at the time of the gift

Ultimately, it is a double tax benefit that also furthers our mission.



Giving Securities

It's easy to make a gift of securities. If your stocks or bonds are held in a brokerage account, you can simply instruct your broker to transfer them into one of our accounts. Your broker will call our office to obtain the transfer code information, and the gift will be effective on the date your broker transfers the securities—typically, the same day you request the transfer.

If you physically possess any stock certificates or bonds, you can mail them to us. In a separate envelope, mail us an executed stock or bond power. This will complete your gift, and it will be valued for tax purposes on the postmarked date.



Gifts of Life Insurance

Sometimes, donors want to make a significant gift without depleting the estate. A paid-up life insurance policy offers a unique gift opportunity that can provide a more sizeable gift than might otherwise have been possible. You may own a policy purchased to protect children who are now educated and on their own. Donating this policy provides a tax deduction equal to the lesser of the replacement value or the basis in the policy.

Example: Helen bought a \$250,000 life insurance policy in 2000 so that if she died prematurely, her children could pay off the mortgage on the family home. Now, the policy is paid up and she has retired the mortgage. Helen would like to donate the unneeded life insurance policy. She was pleased to find that her gift is eligible for a tax deduction equal to the replacement value of the policy or its cost basis, whichever is less.

Giving Simply with Beneficiary Designations

One of the easiest ways to make a meaningful gift is to list our organization as a beneficiary on a retirement account, pension, or bank account. These types of accounts typically offer a “payable on death” designation option, where you simply name the person to receive the remaining account funds upon your death. Of course, you may modify or amend these designations at any time. By simply changing your beneficiary designation to our organization on any of these accounts, you can easily make a charitable gift.

When account holders choose beneficiaries, they generally designate a primary beneficiary (or beneficiaries) as well as a secondary beneficiary (or beneficiaries). The primary beneficiary is first in line to receive what is in the account or what is due on the account. Secondary beneficiaries only receive account funds in the event that the primary beneficiaries turn down or cannot receive the funds.

Example: Charlie, age 68, owns an Individual Retirement Account (IRA) worth \$100,000. Years ago, he named his young daughter, Katherine, as the beneficiary on the account. Now, Katherine is grown and financially secure, and Charlie’s estate plan leaves most of his investment portfolio and real estate to her. The IRA could almost be considered an “extra” asset.

A lifelong supporter of our work, and knowing that his daughter no longer needs the money from the IRA, Charlie decides to change the beneficiary designation on the IRA to our organization. If he needs money from the account, he can still take withdrawals—and of course, once he reaches age 70½ he must take his required minimum distributions. However, whatever remains in the account will ultimately go to our organization and allow us to continue work that Charlie values.



FUNDAMENTALS OF GIVING

These few questions and answers cover important charitable giving basics:

Is my charitable gift deductible? Contributions of cash or property to (or for the use of) a qualified institution are generally deductible as charitable donations.

Does my gift need an appraisal? Gifts of property require an appraisal by an independent and qualified appraiser to determine the value. Of course, gifts of cash and securities do not require an appraisal.

Do I need a receipt? Receipts and other documentation are important for proving your gift for tax purposes. The charity may also be required to provide a statement to the IRS regarding the nature of the gift and whether they provided you a benefit in association with the gift (i.e., a quid pro quo contribution).



A GIFT THAT MAKES AN IMPACT YEAR AFTER YEAR

An endowment gift is designed so that only earnings from the fund are used each year to support Zeta Beta Tau in the way you designate—a specific initiative or program, or for the needs we deem most important. Because only fund earnings are used, the endowment principal stays in place and your gift repeats year after year. You can name your endowment fund to honor your family or a loved one, or to indicate the specific charitable purpose of your fund.

A gift to an existing endowment grows the endowment principal, allowing it to generate greater earnings—and a greater gift to support our work—year after year. This may be a good option if there is already a fund supporting the program or work that is in line with your philanthropic goals.

Contact us for information about how to provide an endowment gift to Zeta Beta Tau.

Giving and Receiving

At year end, it's good to know that you have made wise choices to benefit yourself and others, now and in the future. When you think about traditional cash gifts, beneficiary designations, or more unique giving options, remember that everyone can make a difference and establish a legacy that reflects their most treasured values.

To learn more about simple, tax-effective ways to give, use the enclosed reply card to request our complimentary brochure, *Essentials for Taxpayers*.

And as you consider your options, don't hesitate to contact us— together we can explore how you can make the most of the planning opportunities available to you. We are happy to help with any questions you may have. As always, thank you for your generosity and continued support of the Zeta Beta Tau Foundation.

ZETA BETATAU FOUNDATION

Zeta Beta Tau Foundation, Inc.
3905 Vincennes Road, Suite 100
Indianapolis, Indiana 46268

Contact: Faron A. Lewitt, Executive Director
Phone: 317-506-7066
Fax: 317-334-1899
E-mail: faron@zbtnational.org
Website: www.zbt.org/plannedgiving

This publication is designed to provide accurate information in regard to the subject matter covered. It is sent out with the understanding that neither the publisher nor any distributor is engaged in rendering legal, accounting, investment or other professional services. If such services are required, the advice of competent professionals should be sought.