



# VISIONS IN PERSONAL PLANNING

- Growing wealth
- Establishing a plan
- Enjoying retirement

Spring 2016

## Planning for Your Stage in Life

To everything there is a season, and personal planning is no exception. The financial goals you held dear five years ago are probably not the same goals you've set for yourself today. At the Zeta Beta Tau Foundation, we find that our supporters have two overriding planning concerns—making a difference in the lives of others, and understanding the tools available to make that happen, including the benefits and consequences of each planning option.

In this issue of *Visions*, we show how easy it is to match financial and philanthropic goals, regardless of your stage in life. There is no “right time” to give—options are available for every age and budget, with real benefits to you. Whether you are looking for a complete overhaul of your

planning goals or simply want to complement a plan you currently have in place, there is a strategy for giving that can work for you.

We appreciate your remembering the Zeta Beta Tau Foundation among the causes that are closest to your heart. If you would like more information, with no obligation, please use the enclosed reply card or contact us by phone or email. You're also welcome to request a free brochure, our helpful organizing tool, *Personal Financial Affairs—Your Book of Records*. As always, we are honored to help you explore how planning a gift can provide personal rewards while supporting Zeta Beta Tau.

Cordially, Fraternaly and Sincerely,  
Faron A. Lewitt

### OUR PLANNED GIVING WEBSITE!

Visit [www.zbt.org/plannedgiving](http://www.zbt.org/plannedgiving) to learn more about options for integrating tax-favored giving with your personal planning.

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## Where Are You Now?

The first step in creating any plan is to examine your current stage in life. Although there are many variables to consider when identifying a life stage, and they can and do overlap, in this newsletter we examine philanthropic planning options in three stages:

**STAGE 1 – Growing wealth for retirement**

**STAGE 2 – Establishing a retirement plan and putting it to work**

**STAGE 3 – Maintaining your plan and enjoying retirement**

Of course, we know that life is much more complicated than these three very broad categories suggest, but each stage provides a framework for examining financial and philanthropic planning.

### STAGE 1:

## Growing Wealth for Retirement

For most people, the stage for building wealth is the longest—and some would say the most challenging—because it covers a lifetime of work. For those actively pursuing a career, it may be hard to imagine that the road to retirement will ever come to an end. And for those who are approaching retirement, it is even more surprising how quickly that destination arrives! Fortunately, there are gift plans for both and for every place in between.

At first glance, it may appear that charitable giving options are limited or even impractical during a period when the primary goal is saving and accumulating. This is a common misconception. Gifts of every size are important, and their collective impact is profound. In fact, many gifts don't even require an immediate out-of-pocket transfer. Let's look at two examples:

- **GIFTS IN YOUR WILL:** There are several different types of gifts you can make in your will. With the help of an attorney, you can find an arrangement that is both satisfying and simple.
- **BENEFICIARY DESIGNATIONS:** Life insurance policies and retirement accounts do not pass under your will but instead are transferred by beneficiary designation. You can specify that our organization receives a percentage of the benefits, or name us as a primary or contingent beneficiary. Naming our organization as a beneficiary is easy, costs you nothing, and is a meaningful way to ensure that your assets ultimately serve the people and charities most important to you. Should your needs or goals change in the future, you can simply modify your beneficiary designations to reflect current needs.

There are several gift options available to help you make an impact through philanthropy as you grow wealth for retirement. Please contact us if we can provide more details or assist you.





## STAGE 2:

# Establishing a Retirement Plan and Putting It to Work

Sometime during every employee's career, there will be a crossover point where the focus shifts from building wealth to formalizing a retirement plan and putting it into action. For many, eligibility for Social Security retirement benefits is the primary indicator of that shift. For others, it is reaching a particular financial goal or experiencing some other life event. Turning assets into income is the primary planning challenge during this transitional stage where work ends and retirement begins.

Here are a few gift options that typically appeal to supporters who are formalizing their retirement plans and putting them into action. If you have questions, contact your financial advisor(s) and our gift planning team. We are always happy to provide assistance.

- A **CHARITABLE REMAINDER TRUST** is a way to make a gift that generates income for one or several beneficiaries. You can set up payments to last for life or for a set period of years (up to 20). Charitable remainder trusts offer considerable flexibility. Your advisors can help you determine the best arrangement for you and your charitable goals. If you fund the trust with appreciated property, you avoid capital gains tax at the time of the transfer and still benefit from a current income tax charitable deduction.

- As you manage your investment portfolio, making adjustments along the way, you may want to consider a **GIFT OF APPRECIATED STOCK**. A highly appreciated but low-dividend-paying stock can be an ideal gift. You receive an income tax charitable deduction for the full value of the stock and pay no capital gains tax when you transfer it to our organization.
- This second stage is still a good time to consider a **GIFT IN YOUR WILL** and **BENEFICIARY DESIGNATIONS** of life insurance policies or qualified retirement plans. There are many ways to set up gifts in your will, and beneficiary designations are an easy way to benefit our organization with no out-of-pocket cost to you.



## STAGE 3: Maintaining Your Plan and Enjoying Retirement

After crossing the “retirement threshold,” it is crucial to periodically review financial and philanthropic plans. Are your financial goals still being met? Have changes in your priorities altered your perspective on personal philanthropy? For many people, one of the best rewards for hard work and sound planning is the opportunity to make a greater philanthropic impact during retirement.

- **RETIREMENT PLAN ASSETS** are often a good gift choice. When these assets are left to an individual, your heir must pay income tax upon receipt of the property. However, when our organization receives the assets, no income tax is due because we are a tax-exempt charity. Therefore, the full amount of the gift supports our work.
- Many retirees own a vacation home or second property they no longer want to keep. There are many reasons why—property taxes, insurance, and maintenance expenses all come to mind. There are several tax-advantaged ways to make a **GIFT OF REAL ESTATE**. We are happy to help you examine whether a real estate gift would be a good fit for you and for us.



## IRA CHARITABLE ROLLOVER

There's good news for IRA owners age 70½ or older! Recent legislation permanently extended the IRA Charitable Rollover—a way to make a tax-free transfer directly from your IRA to us that counts toward your required minimum distribution (RMD). A gift up to \$100,000 qualifies for this favorable tax treatment. Contact us for details.

## A GIFT THAT PROVIDES INCOME

If you are at a stage in life where you are interested in making a gift and providing for retirement needs, there are several reasons to think about establishing a charitable gift annuity.

- **A locked-in payout rate for life**—and the payout rates are higher than you might expect. Payments can begin now or be deferred to a later time.
- **Current income tax charitable deduction**—this can reduce your tax bill for the current year.
- **Easy, one-time process to establish**—and once the gift annuity is set up, we provide yearly statements for your tax purposes. You can establish a new gift annuity year after year if annuities continue to be a good tool for maintaining retirement income.

Contact us for more information, including current rates.

## Philanthropy for Today: Convenient and Rewarding

Life can be complicated, but giving doesn't have to be. No matter where you are—at the beginning of your career, approaching retirement, or living happily retired—there are smart gift options available.

Please take a moment to contact us by phone or email, or use the enclosed reply card to request our complimentary brochure, *Personal Financial Affairs—Your Book of Records*. This handy brochure provides an ideal starting point for financial and philanthropic planning for all stages of life. We hope this issue has provided insight into some practical ways you can meet your philanthropic goals while complementing and coordinating with your retirement needs. As always, we appreciate your consideration and support of our work.

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