



Estate Planning –Do You Want to Leave a Legacy?

Change the lives of children for years to come.

What is Estate Planning?

- Estate planning is the process of thoughtfully anticipating and arranging the disposal of an estate.

Your estate consists of the following:

- Bank Accounts
- Real Estate
- Stocks, bonds and cash
- Life Insurance Policies, Trusts.
- Jewelry, valuables, paintings, cars, boats, planes and other items that can be sold for cash.

Why you should have an estate plan:

- To ensure that your property is transferred to those you wish to receive it
- Ensure that your preferences are fulfilled after you are gone

What Leaving a Legacy to support BBBS will accomplish:

- Helps BBBS continue its work of changing lives and thus changing our community.
- Allows BBBS to increase the number of children being mentored each year.
- Have your family name mentioned in all promotional material as a Legacy Partner.

- Provides the means for BBS to enact more programs that are life-changing.

Strategies for making contributions to BBBS

IRA. Required Minimum Distribution: At the age of 70.5 persons must start taking distributions from your IRA. The required amount is calculated by using your IRA balance as of the preceding December 31 divided by a life expectancy figure (at age 70 this number is 27.4). The RMD is taxable and can also cause your Social Security to be taxed.

Strategies to reduce the tax effects of the RMD:

- Make a direct contribution to BBBS: this will have an effect of reducing your tax bill (assuming you can itemize).

Donor advised funds: a donor advised fund (DAF) is a vehicle which allows you to get an immediate charitable deduction while continuing to control the disbursement.

Strategies for using a DAF include:

- Lump sum or severance pay: the money received will be taxable to you. You can set up a DAF and put the bonus money into it offsetting the taxable income. You can then establish an annual payout to the foundation and also retain the ability to make additional payments.
- Inheritances: you can set up a DAF and put a part of your inheritance in it. You can use this donation to offset your income tax.

When is the best time to donate?

While you're alive: you get a tax deduction for the contribution; you get the satisfaction of watching your money work; BBBS gets the opportunity to use the money sooner to continue its mission to young people

Upon your death: the money passes through your estate which allows you to keep control of your money while you're alive.

Which is better to give retirement money or non-retirement money upon your death?

If you give retirement money to a charity there will be no income taxes paid by beneficiaries. If you have an equal amount of money that you want to leave to a charity and to your beneficiaries it might make sense to donate the retirement account.

In summary: there are numerous opportunities for you make a contribution to BBBS while you're alive or upon your death. Just know that no matter how big or small the donation it will be put to good use. You can designate what you want your donation to be used for (called restricted use) or you can just donate without any restrictions.

For more information please contact your tax accountant or financial advisor. For general information you can contact Gerry Hartigan at 434-244-0882 x 101 or by email at ghartigan@blueridgebigs.org

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