

United Way of Olmsted County
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uwolmsted.org

ADVANCING EDUCATION
INCOME AND HEALTH

YOU HAVE THE POWER TO ADVANCE THE COMMON GOOD WELL INTO THE FUTURE

HOW TO INCLUDE UNITED WAY
IN YOUR WILL OR ESTATE PLAN

UNITED WAY IS WORKING TO
ADVANCE THE COMMON GOOD
BY FOCUSING ON THE BUILDING
BLOCKS FOR A GOOD LIFE —
EDUCATION, INCOME AND HEALTH.
WITH YOUR SUPPORT, WE CAN
CREATE A BETTER LIFE FOR
EVERYONE, NOT JUST TODAY BUT
WELL INTO THE FUTURE.

CONSIDER INCLUDING UNITED WAY
IN YOUR WILL OR ESTATE PLAN.



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HOW TO INCLUDE UNITED WAY IN YOUR WILL OR ESTATE PLAN

It is easy to include United Way in your will or estate plans. Here are 6 of the most popular ways to do this. We would welcome the opportunity to send you additional information or meet with you to take the next steps.

1 Name United Way as a beneficiary in your will

A bequest provision can be included in your will when you are creating it, or you can amend your existing will through the use of a codicil.

This arrangement provides you with flexibility and control should your circumstances change. You can designate an exact amount or asset or a percentage of the assets in your will.

2 Make an outright gift of cash or appreciated stock or real estate

This is an excellent technique for individuals in the highest tax bracket...or those who have sold a business or received a significant bonus and could benefit from an immediate tax deduction.



For example, Mary and Bob Smith are both highly paid professionals and received large bonuses this year. Unfortunately, a significant portion of this year's bonus will be eaten away by taxes. Mary and Bob also have a stock portfolio of highly appreciated stock. They decide to contribute stock they purchased many years ago for \$50,000 that is now worth \$200,000. Because this stock is being transferred to United Way, they will not have to pay capital gains tax. United Way will benefit and Mary and Bob will receive a significant income tax deduction.

GIVING STOCK VS. CASH		
	Gift in STOCK	Gift in CASH
Size of your gift:	\$200,000	\$200,000
Income tax savings*	\$79,200	\$79,200
Capital gains tax savings	\$30,000	None
Medicare surtax savings	\$5,700	None
Gift "cost" after tax savings	\$85,100	120,800

*assumes a 39.6% tax bracket

To produce a tailored illustration of tax benefits from giving long-term highly appreciated stock visit:
<http://national.unitedway.org/stock/>

3 Name United Way as the beneficiary of a retirement plan

Perpetuating your gift through a retirement plan is simple, flexible and tax wise. Contact the administrator of your retirement plan to designate United Way as the beneficiary of your retirement plan. They can also let you know what restrictions might apply.

The benefits of naming United Way as the beneficiary of a retirement account include:

- Avoiding potential double taxation on retirement funds gift to heirs (estate tax and income tax).
- Allowing you to continue to draw money out of your retirement account while you are living.
- Providing you with the freedom to change your mind if your situation changes.
- Giving you the satisfaction of knowing that your hard-earned retirement funds will continue to impact people's lives in our community.

4 Name United Way as the beneficiary of an existing or new life insurance policy

Many contributors are attracted to life insurance because it enables them to make a larger gift than they would otherwise have been able to make. Here's how it works: you pay the premiums on a life insurance policy that will ultimately produce a sizable gift to United Way. If United Way is named as the owner and beneficiary, you will also receive a tax deduction for the annual premiums.

Below is an illustration of life insurance costs for various policy amounts for different ages. Note that these costs are for illustration purposes only. Actual premiums will vary based on the individuals insured and the policy selected.

UNITED WAY LIFE SAMPLE RATES FOR \$250,000 POLICY			
Age	Type	5-Year Annual Premium	After Tax Annual Cost of Gift to Donor
35	Survivorship	\$5,000	\$3,350
45	Survivorship	\$7,200	\$4,824
55	Survivorship	\$10,600	\$7,102
65	Survivorship	\$16,500	\$11,055

Policies are also available for other amounts. Rates are for illustration purposes only. Single life premiums would be higher.

5 Benefit from a split interest gift.

A split interest gift is really two gifts, one that is present interest and one that is future interest. Typically, the present interest gift is a lifetime flow of income back to the donor. The future interest gift is the amount the charity will receive at the death of the donor. The most popular split interest gift is a charitable remainder trust. It is a gift that returns an income to you, your spouse or another beneficiary you name. Highly appreciated but low yield stock is an ideal asset to use in a charitable remainder trust.

For example, Jill Smith, age 65, contributes \$200,000 of stock to a charitable remainder trust. She purchased the stock many years ago for \$50,000. While the stock has appreciated significantly, it is only producing an income of \$2,000 to \$3,000 a year. By contributing the stock to a charitable remainder trust, Jill receives a tax deduction of approximately \$70,000 and avoids \$22,500 in capital gains tax. Although she can select various payouts, Jill creates a trust that will provide an income of \$9,400 annually for the rest of her life. At her death, the assets within the trust will be distributed to United Way.



Another "split interest" gift is a retained life estate. This is a way to give away the future interest in your home after your lifetime. You continue to enjoy your home while you are living. Perhaps you own a home or vacation home that your children have no interest in inheriting. You can create an irrevocable provision to retain the use of your home during your lifetime...and give the remainder interest to United Way at your death. You receive a current income tax deduction for the remainder interest and remove the home from your taxable estate.

6 Make a gift through a Charitable Gift Annuity and receive payments for life.

If you would like to benefit from interest that is higher than you can obtain from CDs and money market accounts, a charitable gift annuity is an excellent gift option, especially if you are over 60 years old. You would receive annuity payments for life and the remainder of the gift would benefit our community through United Way. The projected amount of the gift that would go to United Way is tax deductible.

For a customized illustration on how a charitable gift annuity would benefit United Way and you, please visit www.UWGift.org and click on "Create Your Plan."

Information and calculations are for illustration purposes only and should not be considered legal, accounting or other professional advice. Your actual benefits may vary depending on the nature and timing of the gift and your particular circumstances.



We would welcome the opportunity to talk to you about extending your impact in our community well into the future or share additional information with you. Please let us know how we can be of assistance to you.

- I would like someone to contact me about how I can continue my support of our community through United Way.
- I would like to receive additional information about how I can continue my support of our community through United Way.
- I am a United Way Loyal Contributor, having given to United Way 10+ years. I have given to United Way for _____ (number) years.

NAME _____

STREET _____

CITY _____

STATE/ZIP _____

HOME PHONE _____

WORK PHONE _____

EMAIL _____

Please include United Way in your will or estate plan. Your gift will help create a good life for all in our community.

