



Planned Giving Fact Sheet

Most Commonly Used Assets for Funding Planned Gifts

IRA and qualified retirement plan assets

Retirement plan assets are the optimal assets to direct to charity. These assets can be used to support the plan owner and spouse, before some or all is designated by percentage to the Berkeley Symphony.

Real Estate

Any property owned can be deeded to the Berkeley Symphony while retaining a life estate (the lifetime right to live in the property) for the donor and spouse. In addition, part or all of real estate assets can be used to fund a charitable remainder trust. Because Berkeley Symphony has a gift acceptance policy regarding non-cash gifts, please always contact us before completing any gift of real estate.

Life Insurance

Ownership of a life insurance policy that an individual no longer needs can be given irrevocably to the Berkeley Symphony at any time during life.

Savings bonds

Individuals can redeem or cash savings bonds and then make an outright gift of all or some of the proceeds to the Berkeley Symphony. Additionally, proceeds may be used by individuals to fund charitable gift annuities, which provide fixed payments for life to one's self and/or another, in addition to supporting the Berkeley Symphony (more information below).

We invite your questions about how these or other assets could be used to benefit Berkeley Symphony.

Planned Giving Options

Bequests

A bequest is a very common type of planned gift, and it requires special language that must be included in a properly executed will or trust. Please contact us for an amendable gift agreement that documents your intent.

Beneficiary designations on IRAs and qualified retirement plans

IRA and retirement plan assets often result in multiple taxes after the death of the plan owner and spouse; therefore, they are best suited for charitable giving. Designating a charity to receive all or a portion of what remains is easy to accomplish.

Charitable gift annuities

These plans are contractual arrangements and can be funded by cash or other assets. Only non-profit organizations, such as Berkeley Symphony, can offer these plans, which feature a number of tax benefits.

Retained life estates

Personal property may be deeded with the owner retaining the right to continue occupying the premises for life. This gift type results in a current income tax deduction and simplified probate, the sometimes cumbersome, lengthy and expensive legal process of settling the estate of a deceased person, specifically resolving all claims and distributing the decedent's property. Meanwhile, such a donation would not impact your lifestyle.

Charitable remainder trusts

CRT's are irrevocable trusts that actually provide for and maintain two sets of beneficiaries: income beneficiaries (you and, if married, a spouse) and the charities you name. Income beneficiaries receive a set percentage of

income for your lifetime from the trust. The second set of beneficiaries receives the principal of the trust after the income beneficiaries pass away. This option offers either fixed (a charitable remainder annuity trust) or variable (a charitable remainder unitrust) income to a donor, spouse, or others such as siblings, partners, children, or grandchildren.

Retirement Plans

Donors may name Berkeley Symphony as the successor beneficiary of all or a portion of their IRA, 401(k), or other retirement accounts. The designation is revocable and does not generate a charitable income tax deduction, but distributions from retirement accounts to surviving family members can be subject to both income and estate tax. Directing the balance of a retirement plan to charity removes the most-taxed asset from the donor's estate, freeing up other, more favorably taxed assets to give to family and heirs.

Tax Benefits

Capital Gains Tax

Donors can contribute appreciated property, like securities or real estate, receive a charitable deduction for the full market value of the asset, and pay no capital gains tax on the transfer.

Tax Deduction

Donors who establish a life-income gift receive a tax deduction for the full, fair market value of the assets contributed, minus the present value of the income interest retained; if they fund their gift with appreciated property they pay no upfront capital gains tax on the transfer.

Estate Tax

Gifts payable to charity upon the donor's death, like a bequest or a beneficiary designation in a life insurance policy or retirement account, do not generate a lifetime income tax deduction for the donor, but they are exempt from estate tax.

**This information provided by the Berkeley Symphony is not financial, tax or legal advice.
You should consult your financial advisor before making your charitable giving decisions.**

Further Resources

Planned Giving Professional Advisors Directory

<http://www.plannedgiving.com/resources/professionaladvisorsdirectory.php>

Partnership for Philanthropic Planning

<http://www.pppnet.org/resource/businesspages.html>

National Network of Estate Planning Attorneys (NNEPA)

<http://www.netplanning.com>