



National
Brain Tumor
Society

Living Legacy Society

A Guide to Planned Giving



Join Me in Supporting the National Brain Tumor Society

The brain tumor community has played a vital role in my life for the past 14 years. I lost my father to brain cancer in 1996, and I am living with a brain tumor. Through my involvement with the National Brain Tumor Society (NBTS), I connected with others touched by a brain tumor, found hope in research that the organization funds and relied on the services provided for patients and caregivers.

Because NBTS is such an important part of my life, I want to make sure that the group can continue its work. As such, I have decided to include NBTS in my estate plan. I encourage you to consider doing the same.

Our nation's tax laws provide incentives that encourage philanthropy because of the role charitable organizations play in meeting the needs of society. Many people, however, are unaware of the benefits that charitable financial planning can offer them in structuring their estates.

The pages that follow provide examples and guidelines to illustrate some of the ways you can join me in supporting the future of the National Brain Tumor Society and our community while minimizing your tax liability. (Note that these examples are not intended as legal advice and should only be used as educational information. Be sure to consult your advisors on tax-related matters regarding your specific situation).

I am proud to support the National Brain Tumor Society and the entire brain tumor community through estate planning. Again, I ask you to consider doing the same. Charitable bequests can be the beginning of other legacy support. They are ways that we can all help those affected by brain tumors.

Mary Catherine Calisto

*Long-standing donor, volunteer and board member
January 2011*

THE REWARDS OF CREATIVE GIVING

DESIGN A PLAN THAT FITS **YOUR** NEEDS

As we confront the challenges of the future, we know that the generosity of those who assist us will make all the difference in our success. That is why we seek your support.

We also, however, want to make sure that you benefit from making a gift to us. In addition to making a difference in the lives of others, the best gift plans improve your financial and tax situation—often right away.

This booklet allows you to explore opportunities that combine your philanthropic giving with your financial needs and tax-planning strategies. Through creative gift planning you can secure your own financial future, as well as ours.

To design a gift that benefits the people and organizations you care about most, we recommend that you obtain the professional counsel of an attorney who specializes in estate planning. We can work with your advisors to help you plan for tomorrow and receive maximum benefits today.

POTENTIAL BENEFITS

- Receive a current income tax deduction.
- Eliminate long-term capital gains tax.
- Increase income and effective rate of return.
- Reduce possible estate and gift taxes.

A CURRENT WILL OR TRUST

VITAL DOCUMENTS

Have you put off making or updating your will or living trust? Maybe you think it costs too much to do. Perhaps you are having a hard time deciding how to leave your money, or you may simply have an aversion to confronting your mortality.

Having these documents prepared for you may seem like a daunting task at first, until you realize all the good that comes from having them.

A bequest from either a will or living trust lets you pass any amount you wish to us free of estate tax. You can give cash, specific property or a percentage of your estate, with restrictions or without. Because your gift doesn't come to us until after your lifetime, you can change your mind at any time.

To make sure your will accomplishes your goals according to your wishes, we recommend that you obtain the professional counsel of an attorney who specializes in estate planning.

BENEFITS

- Provide for your family after your death.
- Distribute your assets according to your wishes.
- Save on estate taxes with proper planning.
- Leave a legacy without giving up assets today.

CASH

A QUICK AND **EASY** GIFT

A cash gift by check is one of the most common and easiest methods for making an outright charitable contribution.

If you itemize income tax deductions on your tax return, the first tangible benefit of making a gift by cash or check is the tax deduction for the full value of your gift.

The annual limitation on the use of charitable deductions claimed for gifts to public charitable organizations is 50 percent of your adjusted gross income for cash gifts. Any unused deduction can be carried over and used for up to five additional years, giving you six full years to use the deduction.

The second benefit is seeing the immediate results of your generosity. Further, you are demonstrating a strong commitment to help support our mission and contributing to our success.

BENEFITS

- Receive a current income tax deduction.
- Reduce your potential estate taxes in the future.
- Determine the exact amount of your desired support.
- Experience the joy of giving today.

WHAT TO GIVE

ASSETS WORTH DONATING

Any type of asset that you irrevocably donate to a charitable organization like ours results in a current income tax deduction when you itemize, but there may be other tax benefits from your contribution as well.

If you contribute appreciated securities that you have held more than one year (long-term), you have the added benefit of eliminating the tax on the gain.

You can also give us tangible personal property (like an art object, prized collection or antique) and take a deduction for its full fair market value if the gift is used for our exempt function.

These are but two of the types of assets you can donate outright to us today. Using assets other than cash allows you more flexibility when planning your gift, and there are even more potential benefits if you plan your gift creatively.

BENEFITS

- Receive a current income tax deduction for gifts of securities.
- Provide relief from long-term capital gains tax with gifts of securities.
- Make meaningful gifts with donations of personal property.
- Help fulfill our mission with your contributions.

EXAMPLE

DONOR

Dave has stocks currently valued at \$20,000 that he purchased for \$4,000 several years ago, which will result in a \$16,000 capital gain if he sells the securities. He is in a high marginal income tax bracket.

TAX-SAVING STRATEGY

Dave should consider donating the stock to his favorite charitable organization.

BENEFITS

- Dave receives an income tax charitable deduction for the full fair market value of \$20,000.
- Dave bypasses the taxes on the \$16,000 capital gain.
- The total tax savings from capital gains *and* income taxes reduces the out-of-pocket cost of his gift.

YOUR RETIREMENT PLAN ASSETS

COSTLY TO INHERIT

Did you know that most retirement plan assets are facing double taxation? Assets remaining in retirement plans funded with pretax dollars are considered “income in respect of a decedent” at your death. So the amount left to heirs is diminished not only by estate taxes, but the recipient also must pay income taxes on it!

If you can make other provisions for your family, there is a better option for your retirement plan assets—a charitable gift after your lifetime.

To name us as the beneficiary, first consult your advisor, then instruct the plan administrator of your decision and sign whatever form is required. For an IRA or Keogh plan you administer personally, notify the custodian in writing and keep a copy with your valuable papers.

BENEFITS

- Eliminate all federal income and estate taxes when you name us as the primary beneficiary.
- Receive partial savings when you give us a specific amount before giving your family the remainder.
- Name us as the contingent beneficiary, which allows for greater flexibility.
- Make the most cost-effective gift you can make, saving other less-taxed assets for loved ones.

EXAMPLE

BILL'S ESTATE PLAN

Bill's estate contains his personal possessions, an insurance policy and a sizable profit-sharing account. Bill wants to provide for his children, but he also wishes to leave a charitable gift—with the rest of his estate passing to his children.

TAX-SAVING STRATEGY

He should consider naming his favorite charitable organization as beneficiary of his profit-sharing account.

BENEFITS

- Assets in the profit-sharing account pass to the charitable organization free of any income tax obligation.
- The value of Bill's gift to charity qualifies for an estate tax charitable deduction.
- Bill's children benefit from other assets in his estate that are free of income taxes.
- Bill can change his mind at any time.

CHOOSE THE OPTION

THAT MATCHES YOUR GOALS

YOUR GIFT	Bequest	Outright gift of cash	Outright gift of securities	Outright gift of personal property	Gift of retirement assets
YOUR GOAL	Defer a gift until after your lifetime.	Make a quick and easy gift.	Eliminate tax on long-term capital gains.	Share your enjoyment of a collection or other personal item.	Avoid the twofold taxation on IRAs or other retirement plans.
HOW TO MAKE THE GIFT	Name us in your will or living trust. (Designate a specific amount, percentage or share of the residue.)	Simply write a check or make a cash donation now.	Contribute long-term appreciated stock or other securities.	Donate tangible personal property related to our tax-exempt function.	Name us as the beneficiary of your retirement account after your lifetime.
YOUR BENEFITS	<ul style="list-style-type: none"> • control of your assets for your lifetime • donation exempt from federal estate tax 	<ul style="list-style-type: none"> • immediate income tax deduction • removes property from future taxable estate 	<ul style="list-style-type: none"> • immediate charitable deduction • elimination of long-term capital gains tax 	<ul style="list-style-type: none"> • charitable deduction based on the full fair market value 	<ul style="list-style-type: none"> • allows you to make the gift from the most highly taxed assets, leaving better assets for family

Gift of life insurance	Retained life estate	Gift of real estate	Charitable remainder trust	Charitable lead trust	Charitable gift annuity*
<p>Make a large gift with little cost to yourself.</p>	<p>Give your personal residence or farm now, but continue to live there.</p>	<p>Make a gift of property no longer needed and generate an income tax deduction.</p>	<p>Secure a fixed and often increased income, or create a hedge against inflation.</p>	<p>Reduce gift and estate taxes on assets you pass to children or grandchildren.</p>	<p>Supplement income with steady payments that are partially income tax-free.</p>
<p>Change ownership on a life insurance policy you no longer need.</p>	<p>Designate ownership of your home to us, but retain occupancy for life.</p>	<p>Donate the property to us.</p>	<p>Create a trust that pays income annually; the principal is retained for a charitable organization.</p>	<p>Create a charitable trust that pays fixed or variable income to us for a specific term of years; the principal is retained for heirs.</p>	<p>Establish a charitable gift annuity contract with us that pays a set amount for life.</p>
<ul style="list-style-type: none"> • current income tax deduction • possible future deductions through gifts to pay future premiums 	<ul style="list-style-type: none"> • valuable charitable income tax deduction • lifetime use of residence 	<ul style="list-style-type: none"> • immediate income tax deduction • reduction or elimination of long-term capital gains tax 	<ul style="list-style-type: none"> • variable or fixed income for life • immediate income tax charitable deduction 	<ul style="list-style-type: none"> • reduces your taxable estate • property kept by your family, often with reduced gift taxes 	<ul style="list-style-type: none"> • current and future savings on income taxes • fixed payments for life for one or two individuals

*Not available in some states or from some organizations

LIFE INSURANCE

A VERSATILE TOOL FOR MANY PURPOSES

When you first obtained your life insurance policies, you obviously felt a need for them. Perhaps you do not need all that coverage today, yet you still have those policies.

If you are thinking about a contribution to us, a gift of your life insurance could be a sensible, as well as generous, course of action. If you make us owner of the policy, you will normally receive an income tax deduction for the policy's fair market value or cost basis, if lower, on the date of the gift.

If you name us beneficiary of the policy (and retain ownership), you won't be eligible for current tax benefits because the gift is revocable at any time.

Whether you name us as owner of the policy or name us as the beneficiary while you retain ownership, your estate will not pay estate taxes on the policy proceeds we receive.

BENEFITS

Name us as owner.

- Receive a charitable income tax deduction when you name us as beneficiary and assign us ownership.
- Receive future income tax deductions when you name us as owner and continue to pay premiums.

Name us as beneficiary.

- Obtain flexibility by naming us as primary beneficiary but keeping ownership.
- Name us as contingent beneficiary and secure your family's needs first.

RETAINED LIFE ESTATE

AN OPTION THAT LETS YOU HAVE IT **BOTH** WAYS

Let us assume you like the tax advantages that a charitable gift of real estate would offer, but you want to continue living in your personal residence for your lifetime. Do you realize you can give us your home and continue living there?

It is true! This type of gift is called a *retained life estate*.

A gift of your home (including a vacation home or condominium) or farm, with a reservation of the right to use it for life, results in a charitable deduction on your income tax return.

BENEFITS

- Use the residence for your life and/or another person's life.
- Receive income tax savings through a charitable deduction for a portion of your home's value.
- Reduce estate taxes.
- Avoid the hassle of selling the property at a future date.

REAL ESTATE

A TAX-WISE GIFT

Are you thinking of selling land or a building? Beware of capital gains tax!

If you sell your primary residence, you can exclude up to \$250,000 (\$500,000 if you are married) of the gain. This tax break does not apply to other types of real estate, however, so you may have a better alternative.

A charitable contribution of real estate—whether it is your personal residence, a vacation home, a farm, commercial real estate or vacant land—will give you numerous advantages.

When you give your home or other real estate to us, you create an enduring testimonial of your interest in our mission. Your personal satisfaction is also complemented by valuable tax benefits.

BENEFITS

- Receive an income tax charitable deduction for the full fair market value.
- Eliminate tax on the property's appreciation.
- Prevent the hassle of trying to sell the property.
- Make a gift to support a great cause, and reduce your taxable estate.

CHARITABLE REMAINDER ANNUITY TRUST

A **GIFT** TO US WITH PREDICTABLE **BENEFITS** TO YOU

If you are disappointed in the yield from your current investments in the stock and bond markets, yet you want to eliminate the capital gains tax should you sell, consider a charitable remainder annuity trust.

This plan will pay you, year after year, the same dollar amount you choose at the outset. The income payments are fixed, based on the starting valuation. Then after your (or other named beneficiary's) lifetime and the lifetime of the survivor beneficiary (if desired), the balance in the trust is available to support our mission.

The charitable remainder annuity trust is more than an eventual gift to us. It lets you give away the tree and still keep the fruit, because you receive an income stream from your donation.

BENEFITS

- Receive a fixed dollar income paid annually, semiannually, quarterly or monthly.
- Obtain a partial charitable deduction.
- Increase your income from a low-yield asset.
- Gain freedom from investment management.
- Eliminate up-front capital gains tax on long-term appreciated assets used to fund the trust.

CHARITABLE REMAINDER UNITRUST

A GIFT WITH BUILT-IN FLEXIBILITY

A charitable remainder unitrust is like a combination of a gift and an investment plan. You place assets in trust, and you (and/or another beneficiary) receive lifetime income from them—then we receive the remainder.

With a unitrust, the amount you receive as income varies each year and is a set percentage of the value of the trust assets, redetermined annually.

You also have the option of choosing one of five variations of unitrusts. A unitrust with a net income plus makeup provision, for example, pays only the actual trust yield, even if it is below the stated percentage. Then in later years, when the beneficiary needs more income, the trustee can invest the assets to generate a higher return and make up earlier deficiencies.

This option is excellent for devising a supplemental retirement plan. We can provide you with more details.

BENEFITS

- Receive lifetime variable income (often greater than the yield on contributed assets).
- Obtain a sizable income tax charitable deduction.
- Eliminate up-front capital gains tax if you donate long-term appreciated securities.
- Make a significant gift to one or more charitable organizations.

EXAMPLE

DONOR

Jane, aged 60, has stocks currently valued at \$100,000 and yielding a 2 percent dividend.

GIFT VEHICLE

Charitable remainder unitrust

HOW IT WORKS

Jane transfers the stock to the unitrust and arranges to receive in quarterly payments 7 percent of the market value of the unitrust assets as determined annually.

BENEFITS

- Jane receives an income tax charitable deduction for the charitable portion.
- The first year she receives \$7,000 (7 percent of \$100,000), a \$5,000 increase in income.
- If the value of her trust increases, so will her income payments. Jane will then have a built-in hedge against inflation.

CHARITABLE LEAD TRUSTS

PRESERVE AN INHERITANCE

Are you concerned about the possibility of the government taking a huge part of the assets you were planning to leave your heirs?

There is a strategy to pass assets to your family with significant estate tax savings while making a gift to us. It is called a *charitable lead trust*.

After we receive income from assets in the trust for a period of years, the balance goes to your selected loved ones, with estate or gift taxes usually reduced or even eliminated.

The lead trust is an exceptional way to transfer property to your children or other heirs at minimal tax cost. It is ideal if you are willing to forgo investment income on an asset but do not want to have estate taxes reduce the principal passed to heirs.

With a lead trust, you carry out your philanthropic plans over the coming years and save on taxes.

BENEFITS

- Fund the trust during your lifetime or through your will.
- Support our mission through annual income payouts.
- Reduce your taxable estate and potential gift taxes.
- Keep assets in the family.

Living Legacy Society

The Living Legacy Society honors the enduring spirit of everybody who is a part of the brain tumor community. The National Brain Tumor Society (NBTS) created this society to recognize donors who have chosen to provide for NBTS and its programs through planned or deferred gifts including bequests, charitable trusts, gift annuities, and other estate planning methods.

The Living Legacy Society is composed of those who believe in our mission and who represent each part of the community. Like NBTS, members of the Living Legacy Society are dedicated to funding transformative research; empowering individuals with information, support and connections with others; and advocating for all those affected by brain tumors.

If you have already made arrangements that qualify you for membership in the Living Legacy Society, please let us know so we can properly thank you for your generosity and commitment to our shared passion. Please call 617.924.9997 to learn more about how you can create your own living legacy.

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The information in this publication is not intended as legal advice. For legal advice, please consult an attorney. Figures cited in examples are for hypothetical purposes only and are subject to change. References to estate and income taxes include federal taxes only. State income/estate taxes or state law may impact your results.



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