



# LEGACY



BOYS & GIRLS CLUBS

A Newsletter from The Heritage Club

Volume X Issue III

## A YEAR END SECRET TOO GOOD TO KEEP



### Successful people are often asked how they made it.

What did they do differently than others? One of the secrets they share is the importance of giving wisely and doing so in a way that brings benefits back to them.

When many people think of charitable giving, especially at year's end, they think of making a cash gift. However, there is another way. It's called a planned gift. There are many ways a planned gift can bring benefits back to you:

- **A charitable gift annuity** - pays you fixed income for life at a rate based on your age.
- **A charitable remainder trust** - provides you with income for life or a term of years.
- **A gift of real estate** - offers tax and income advantages.

- **A gift of stock** - helps you avoid capital gains tax.

Many of these benefits can be achieved with a surprisingly modest gift. There are variations on each of these gift options.

To learn more about ways to make a planned gift, please visit our website or contact us today.

As the year comes to a close, open yourself up to new possibilities and success achieved through giving and receiving.

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**IMPORTANCE OF GIVING WISELY —**  
doing so in a way that brings benefits back to you.

# IRA CHARITABLE ROLLOVER: DON'T LET YOUR BENEFITS ROLL AWAY

**Did you know that you can manage your IRA and, at the same time, make a gift to your Boys & Girls Club this year?**



The IRA Charitable Rollover provides you with a unique window of opportunity to make a gift from your IRA before December 31, 2013, while avoiding federal income taxes.

How does it work? The IRA Charitable Rollover permits a taxpayer age 70½ years or older to donate up to \$100,000 directly from an IRA to a public charity without paying any federal income tax on the transfer. Prior to the enactment of this law, a gift to charity from your IRA was considered a taxable distribution.

The benefit of the law is that your IRA gift counts toward your required minimum distribution. If you want to reduce your income and taxes this year, you can achieve these goals by transferring some or all of your required distribution to your Boys & Girls Club. Because the funds you give away are never taxed as income, your gift does not qualify as a charitable income tax deduction. However, you are able to make a gift to us from funds you may not otherwise use. As a result of your generosity, our Club benefits and so do the youth we serve, as the Club enables them to achieve academic success, healthy lifestyles, and good character and citizenship.

At the end of the year, the IRA Rollover provision is set to expire. Please visit [clubgift.org](http://clubgift.org) to learn more about taking advantage of this special opportunity. You can make a gift while helping the children in your community this year and in the future.

## Savvy

*What are my options for choosing an executor for my will? I was considering asking one of my kids to do it, but I don't think any of them are up for the job. What can you tell me?*

**Choosing an executor** – the person or institution you put in charge of administering your estate and carrying out your final wishes – is one of the most important decisions in preparing a will.

The right executor can help ensure the prompt, accurate distribution of your possessions with a minimum of family friction. Some of the duties required include:

- Filing court papers to start the probate process.
- Taking an inventory of everything in the estate.
- Using your estate's funds to pay bills, including taxes, funeral costs, etc.
- Notifying banks and government agencies like Social Security and the post office of the death.
- Preparing and filing final income tax returns.
- Distributing assets to the beneficiaries named in the will.

Given all the responsibility, the ideal candidate should be someone who is honest, dependable, and well organized.

### **Who to Choose**

Most people think first of naming a family member, especially a spouse or child, as executor. If, however, you don't have an obvious family member to choose, you may want to ask a trusted friend, but be sure to choose someone in good health or younger than you who will likely be around after you're gone.

# MAKING STOCKS WORK FOR YOU

## TIPS FOR MAKING GIFTS OF STOCK

Also, if your executor of choice happens to live in another state, you'll need to check your state's law to see if it imposes any special requirements. Keep in mind that if the person you choose needs help settling your estate they can always call on an expert like an attorney or tax accountant to guide them through the process, with your estate picking up the cost.

You could also name a third party executor like a bank or a professional, such as an attorney, who has experience dealing with estates. If you need help locating a pro, the National Association of Estate Planners and Councils (naepc.org) and the National Academy of Elder Law Attorneys (naela.org) are great resources that provide directories on their websites to help you find someone.

### Executor Fees

If you opt for a third party executor it will cost your estate. Executor fees are set by each state and typically run anywhere from 1 to 5 percent depending on the size of the estate.

### Get Approval

Whoever you choose to serve as your executor, be sure you get their approval first before naming this person or entity as executor in your will. And once you've made your choice, go over your financial details in your will to let your executor know where you keep all your important documents and financial information. This will make it easier for the executor after you're gone.

For more information on the duties of an executor, get a copy of the book "the American Bar Association Guide to Wills and Estates" fourth edition for \$17 at [ambar.org/wills](http://ambar.org/wills) or call 800-285-2221.

*Savvy Living is written by Jim Miller, a regular contributor to the NBC Today Show and author of "The Savvy Senior." The articles are offered as a helpful and informative service to our friends and may not always reflect this organization's official position on some topics.*

Those who have given stock to their Boys & Girls Club know the secret. It is often more rewarding to transfer the stock to the Club than it has been to keep it all those years. One of the greatest benefits of transferring stock is that you no longer worry about its value. When you hold a stock, you may be concerned about the ups and downs of the market. When you transfer the stock – and the worries – to a non-profit organization like ours, the restlessness stops and the rewards begin.

Here are some tips to make a charitable gift of stock or other appreciated assets:

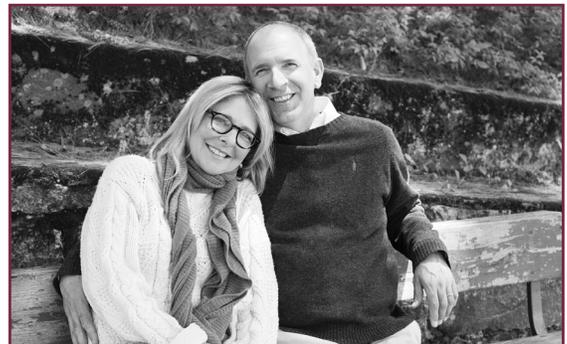
**Never Sell The Stock** - Even if you sell and give all the money to the Boys & Girls Club seconds later, you lose many of the tax benefits. Always transfer; never sell stock before making a gift to a non-profit organization.

**Keep Everything in a Safe Place** - If you hold stocks in paper certificates, gather them in one safe place. If they are in an account, gather your statements for the same purpose.

**Gifts of Stock vs. Gifts of Cash** - If you regularly make cash gifts, consider making a stock gift instead. Then use the cash you would have given to us to replace your stock gift. That way you avoid capital gains on the "old" stock and acquire the "new" stock at a higher basis.

**Work with an Advisor** - If you hold many stocks, work with your advisor or with us to determine which would make the best gift for you tax-wise.

The great part about transferring stock to the Club is that we do most of the work for you. We have experts on staff that can help you. Giving stock should always be as easy as it has been to hold it.





BOYS & GIRLS CLUBS

# IMPACT YOUR WORLD HELP YOUR BOTTOM LINE

With an IRA charitable rollover gift, you can help your Boys & Girls Club this year and enjoy valuable tax and income benefits. If you are 70½ or older, you can roll over up to \$100,000 from your IRA to charity without paying federal income tax. Even better, your gift qualifies for your required minimum distribution (RMD).

Here are some of the ways you can benefit from an IRA rollover gift this year!



### Reduce Your Taxable Income.

By rolling over some or all of your RMD from your IRA to your Boys & Girls Club, you can reduce your taxable income this year.



### Nonitemizers: Enjoy Charitable Gift Benefits.

If you do not itemize your deductions, you can still benefit from the reduction in income and tax resulting from an IRA rollover gift.



### Lower Your Social Security Tax.

Reducing your taxable income with an IRA rollover gift may also reduce the tax due on your social security payments.



### A New Source for Major Gifts.

If you wish to make a larger gift to a campaign or special cause, you can make that gift from your IRA rather than tapping into your bank account this year.



### Avoid IRS Tax Limits.

IRA rollover gifts may be made over and above the normal cash gift limit (50% of your adjusted gross income).

Make an IRA Rollover Gift today or learn more by visiting our web site at: [www.clubgift.org](http://www.clubgift.org)

Check out our IRA Rollover Gift Video!