



## BENEFICIARY DESIGNATIONS

### The 5 Easiest Ways to Leave Your Legacy

#### 1. A gift of real estate in your will or living trust.

A gift of real estate through your will or living trust allows you the flexibility to change your mind and the potential to support our work with a larger gift than you could during your lifetime. In as little as one sentence or two, you can ensure that your support for SPCA Cincinnati continues after your lifetime and that your estate will benefit from a federal estate tax charitable deduction.

#### 2. Retirement Plans and IRAs

If you want to make a difference at our organization after your lifetime, consider a tax-wise gift from your retirement plan or IRA. Here's why.

A retirement plan or IRA is typically the largest source of assets that generate taxable income when paid to a beneficiary. More than half of your retirement plan assets could be subject to income and estate taxes. Therefore, if you are considering a gift to our organization after your lifetime, it is usually **better to leave taxable assets** to us and give nontaxable assets (such as stocks and real estate) to your loved ones.

- To complete your gift, simply contact your retirement plan or IRA administrator and complete a beneficiary designation form naming our organization as beneficiary and the percentage you'd like us to receive (1-100). Then mail it back to the plan administrator and keep a copy for your records. Beneficiary forms are filled out on your terms and can be changed at any time.

#### 3. Life Insurance Policies

Maybe you once needed life insurance for your loved ones, but now your family's requirements have changed. Why not use the insurance policy to help advance our mission? **Not only will you make a substantial gift at a relatively low cost, but it is revocable at any time should you need to change your plans.** You can designate our organization as the beneficiary for a percentage of your life insurance policy's death benefit. **You choose whatever percent you desire.**

- To complete your future gift, contact your insurance company or agent and request and complete a beneficiary designation form. Then mail it back to the insurance company. Keep a copy for your records.

#### 4. An outright gift of real estate

When you make a gift today of real estate you have owned longer than one year, you obtain a federal income tax charitable deduction equal to the property's full fair market value. This deduction lets you reduce the cost of making the gift and frees cash that otherwise would have been used to pay taxes. By donating the property to us, you also eliminate capital gains tax on its appreciation. Furthermore, the transfer is not subject to the gift tax, and the gift reduces your future taxable estate.

## 5. Commercial Annuities

Commercial annuities are tax-heavy assets to own, similar to retirement plans and IRAs. They carry an income tax burden when paid to your named beneficiary. The income tax is due on the growth of the annuity—in other words, what its value is worth when you die over what you paid for it. **The tax burden makes these assets another popular choice to leave to a tax-exempt organization like ours.**

- Similar to the process for making gifts of retirement plan assets and life insurance, to complete a gift from your insurance annuity, contact your insurance company or its agent for a change-of-beneficiary form for the annuity. Decide what percentage of the annuity's value you would like us to receive and name us along with the stated percentage on the beneficiary form. Then mail it back to the insurance company and keep a copy for your records.

### **How to Obtain Beneficiary Forms?**

**Retirement plans and IRAs.** Contact the administrator of your retirement plan or IRA.

**Life insurance.** Contact the life insurance company or your agent.

**Insurance annuities.** Contact the insurance company or your agent.