

GIFTS OF RETIREMENT ASSETS

GIVING BACK TO THE PEOPLE YOU CARE MOST ABOUT AND TO YOUR COMMUNITY

What are Gifts of Retirement Assets?

Retirement plans are considered “income in respect of a decedent” at your death (assets that would have been taxable to you if you had lived). They are taxable to your heirs even though they were taxed in your estate. You can help preserve the funds you have saved for retirement by leaving these assets to charity and leaving other assets in your estate to your heirs.

Tax Savings:

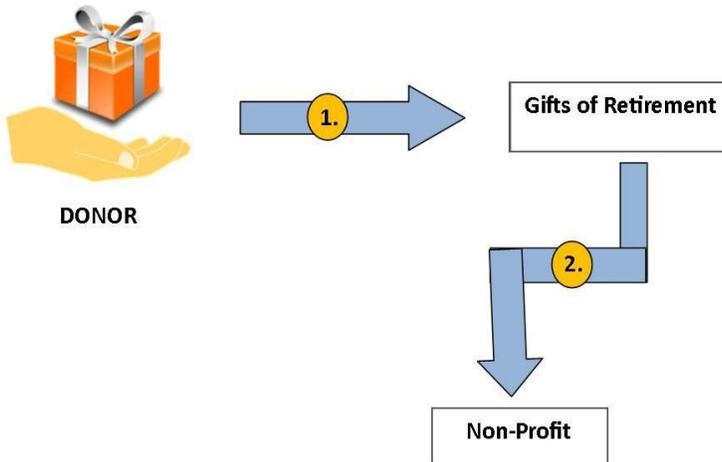
- ◆ If you name The Chester County Community Foundation as the beneficiary of your retirement plan, your unused benefits will be distributed upon your death to The Community Foundation free of both estate and income taxes. If you have children or other heirs, you can leave them stock, real estate or other estate assets that would not be subject to income tax.
- ◆ If you are married, you may want to leave your retirement plan assets to your spouse first and then to charity. This is because the marital deduction assures that no estate tax applies to a transfer to a spouse.

Retirement plans appropriate for “gifting”:

- Profit-sharing or other defined contribution plans
- 401(k) plans, which allow an employee to reduce taxable compensation
- 403(b) plans for employees of nonprofit organizations
- Individual Retirement Accounts (IRAs)

Benefits

- ◆ Donors can give your organization their heavily– taxed retirement assets and leave more favorably-taxed property to family.
- ◆ The designation of your organization to receive all or part of the balance remaining in the retirement plan at the donor’s death is revocable. If circumstances change, the donor can redirect the balance.
- ◆ The gift is easy to set up via the plan’s beneficiary designation form. Donors should always use the form. Otherwise, if the balance is paid to the donor’s estate and then transferred to your organization the payment to the estate may still be subject to income taxation.



Permanence

Your gift can create a permanent, named charitable fund at The Chester County Community Foundation. Your fund can last forever, making annual grants to charity according to your wishes and in your name. Depending on the type of fund you establish, you can even name your children as advisors to the fund, allowing them to remain involved with the fund’s grant making throughout their lifetimes.

About us:

Since 1994, the Chester County Community Foundation has actively partnered with donors who believe that positive change occurs through effective charitable giving. Today, we manage more than 350 charitable funds started by individuals, families, businesses and nonprofit organizations. Together, these funds represent ordinary people who have made extraordinary commitments to our community.

To establish a Charitable Lead Trust contact:

Beth Harper Briglia, CPA, CAP
Vice President of
Donor Services
610-696-8211
beth@chescofc.org

“Your retirement fund can be taxed up to 70% if passed on to heirs, yet it ‘s tax-free to charity.”

-Karen Simmons
President & CEO
Chester County Community Foundation