



Santa Barbara County's
United Way

Plan for Tomorrow Minimize Your Risk

We are careful in our everyday lives in how we live and what we do. We are careful with our money and save to ensure our future happiness. We recognize what is good and worthwhile in our lives, and we intentionally attend to these things — including family, loved ones, friends, and worthwhile charitable causes. To be sure, there are things we just cannot prevent: an untimely illness, the loss of a job, a downturn in the market that turns our portfolio into Swiss cheese. But, we at least take steps to try to safeguard the people and causes we hold dear.

We also want to exercise care when it comes to charitable giving. Sometimes, even the most charitably minded individual can see risk in making a large gift. He or she might think, “I can’t give a lot because I may regret that gift should I need the money later.” This is an understandable concern, especially in view of today’s ongoing tax changes and market volatility.

There are gift plans, however, that do not require you to open your wallet right now. These plans signify your intent to give and give generously, but their actual release does not happen until you are sure that it should. These plans are called “revocable gifts” for the simple reason that you can change your mind about the gift. We like to think of them as comfortable commitments.

In this issue of *Visions*, we discuss revocable gifts, how they work and how they can benefit you. Revocable gifts are easy to make and can have a future impact that you will feel comfortable putting into place right now.

For more information about gifts that make sense in today’s economy, feel free to send for our new booklet ***Revocable Gifts: A Comfortable Commitment***. We want to hear from you and would welcome the opportunity to answer your questions and to explore a comfortable commitment with you.

visions IN PERSONAL PLANNING

Easy Ways to Make Your Influence Felt

There are many ways to make significant charitable commitments in the form of a revocable gift. In this issue we focus on those revocable gifts that may have special appeal for today’s donors.

Charitable Bequest Opportunities

A familiar way to give is to include us in your will by a bequest. There are several different ways to make a charitable bequest. Which one is best for you depends on your objectives. For instance, you may want to give a specific dollar amount or a specific asset such as an important piece of art to establish a highly identifiable legacy. Or you may prefer a percentage bequest to ensure that your beneficiaries receive the same intended proportion should the value of your estate go down or up.

A popular form of bequest is the residual bequest – a gift of what remains in an estate after all other bequests are satisfied. By making a residual bequest to us in your will, you can make certain that your loved ones receive consideration before a gift is made to us. A residual bequest is a thoughtful way to stamp your lifetime example of giving without compromising needs of family and friends close to you.

Example:

■ *Barbara Lee, age 75, has faithfully supported us for many years, consistently responding to our annual fund drives and participating in special projects as well. Her carefully planned will provides well for those family members who will survive her. After her advisors made her aware that her estate would likely include funds for which no specific designation had been made, Barbara made an important and thoughtful decision. She designated us as the residual beneficiary of her estate. After all her debts and costs are subtracted from the estate and all bequest arrangements have been satisfied, we will receive the remaining value. This simple step “ties the knot,” so to speak, on a*

meaningful will. While Barbara receives no income tax benefits, the estate is eligible for a tax deduction in the amount of the gift we receive, helping to offset or eliminate possible estate taxes.

A residual bequest is a thoughtful way to give to a deserving organization, after taking care of loved ones first. “What’s left over” (the residual) often can make a big difference in our work without shortchanging your heirs. Our booklet has a more complete discussion of the different kinds of bequests and their comparative benefits. Why not send for it, as a first step, to determine which kind might best fit your needs?



Simple Options for Beneficiary Designations

In addition to a will, most of us have legal contracts or written arrangements that designate beneficiaries in the event of death. These include insurance policies, retirement plans and savings accounts. Your insurer, bank, employer or brokerage house usually requires that you list your primary and secondary or contingent beneficiaries. You may also, upon request, modify or amend these designations.

One of the simplest ways to make a meaningful charitable gift is to add our organization to your list of beneficiaries. You can name us as primary beneficiary or secondary (or contingent beneficiary) who receives the funds in the event the primary beneficiary cannot or does not receive them. The advantage of naming us as a beneficiary is that you maintain control of the assets. Since the gift is not completed during your lifetime, you can amend your beneficiary designations at your discretion.

Something to Consider

In our general financial planning, it's not unusual to take steps to replace uncertainty with certainty. The same principle often applies to gift planning. A revocable gift provides certainty in two key areas: (1) your specific intentions are documented and known, and (2) you retain 100% control of the gift as long as you live.

Is now the time to consider this important but flexible gift commitment?



Examples:

■ *Constance Reynolds keeps \$10,000 in an emergency fund designed for life's unexpected expenses, such as home repairs or a major appliance replacement. She was recently reminded that this savings account has a payable on death (P.O.D.) designation. She visited the bank and learned that the listed P.O.D. recipient was her now-deceased husband. Completing a new form, she designated our organization as the P.O.D. recipient. While the savings account remains fully under her control, Constance now has the added assurance of knowing that our important work will be supported by any funds that remain after her death.*

■ *“What should I do with this life insurance policy?” That was the question Aaron Evans asked himself. The policy was designed to*

provide funds for his son's education, in the event of Aaron's premature death. But since his son is now a successful architect, Aaron no longer needs to provide an education fund. Aaron turned his thoughts toward our organization and his longstanding desire to support us with a major gift. Being a “depression baby” who wants to play it safe and keep control of the policy and its values, Aaron decided against making an outright irrevocable gift. Instead, he named us the policy beneficiary. All he had to do was contact his agent and complete a change of beneficiary form. If Aaron needs the policy values, he can access them. If not, we will receive the full policy proceeds at his death. Aaron is pleased with the simplicity of this arrangement and the knowledge that he is making a significant contribution to our work.

Don't Forget about Retirement Assets.

More and more astute donors are now using retirement assets in their charitable gift planning. The reason is that retirement account assets left to family members (other than your spouse) may be subject to higher taxation than other assets. By using retirement assets to fund your charitable bequest — and leaving other assets to family members — you may be able to reduce taxes that otherwise would be imposed on those assets that have grown tax free... and leave more to your intended beneficiaries.

In addition to being tax-efficient, it is quite simple to leave retirement assets to a qualified charity such as ours. All you need do is change the beneficiary designation. As with any charitable gift, always check with your financial advisors to see if the gift makes sense in your overall estate plan. Keep in mind that a surviving spouse has protected rights under many retirement plans.

Beyond the Basics

The options reviewed in this newsletter represent quick and easy ways to help us — opportunities that cost nothing to implement and require almost no investment of time or effort. They are excellent ways to support our work and provide extremely gratifying outcomes for those who take these basic steps. We are thankful for our thoughtful friends who support us through bequests and beneficiary designations.

Many of our friends, nonetheless, have found it wise to take an additional step and consider support opportunities that prove more helpful to them. For example, there are methods of giving that provide a current income tax charitable deduction for you, as well as gifts that provide you with a lifetime income *and* a current income tax charitable deduction. If you're interested, it would be our pleasure to help you explore these opportunities.

Whatever your needs and interests, we stand ready to assist you. Why not take this opportunity to use the reply card and send for our free booklet, *Revocable Gifts: A Comfortable Commitment*. We think you'll be glad to have this information, and we look forward to hearing from you.



Let Us Hear from You

If you have named us in your will or designated our organization as a beneficiary of any plan or policy, please let us know. We would appreciate the opportunity to personally thank you for your gift. And, if you would like, we can discuss how you wish your gift to be used. It is important that we know the minds of those who have opened their hearts to us. Your gift is a thoughtful and intentional act, and we want to be certain your intentions are fully recognized.

If you have not yet included our organization in your plans but are thinking about doing so, please make sure your advisors use our correct legal name, which is Santa Barbara County's United Way. It is important that this name be used in all wills and documents that designate a gift or bequest to us.



Santa Barbara County's
United Way

Network for Caring

You & I... helping local people as no one else can



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Planning with Confidence

- Please send your new booklet, ***Revocable Gifts: A Comfortable Commitment***. I'm interested in exploring the many risk-free opportunities for leaving a personal legacy through your institution.

please print

NAME _____

ADDRESS _____

CITY _____

STATE _____

ZIP _____

EMAIL (optional) _____

TELEPHONE (optional) _____

VRG015

2005 Visions Production Schedule

	Winter/ Spring	Summer	Fall
Layout Proof to Clients	1/6	5/4	8/29
Deadline to Reject Issue -or- Deadline for Personal Material and Edits to Imprint	1/21	5/18	9/12
Files to Printer	1/24	5/19	9/13
Materials Ship from Indy	2/11	6/7	10/4

SCHEDULED TOPICS FOR THE YEAR*:

Winter/Spring: Revocable Gift Plans

Summer: Planning Your Will

Fall: Gifts of Stock