



## **Planned Giving**

All of us — regardless of age, wealth, or affiliation — have the ability to make a difference for future generations.

Creating your Jewish legacy at Beth El is simple. Some options include:

- Bequest in a Will
- Gift of Life Insurance
- Gift of IRA or Pension Funds
- Charitable Gift Annuity
- Charitable Remainder Trust

Your legacy gift of any size can be customized and structured to fit your dreams, lifestyle, family and financial needs — *all while providing significant tax benefits*. Some gifts can even be structured to *increase your current income*, and the residual will benefit Beth El. And all of this can be done at no cost to you today.

We realize that this is a lot to think about. We are here to help. If you wish, our professionals will work with you and your financial advisor to help identify the best legacy option for you.

Together, we can impact the future of our Jewish community and make a difference in the lives of generations to come.

*“How wonderful it is that nobody needs to wait a single moment before starting to improve the world.”*

### **Why Create a Jewish Legacy?**

You can help:

- PERPETUATE the Jewish traditions and values you cherish
- PRESERVE our wonderful congregation — with all of its programs that support Jewish life in Fairfield — in perpetuity
- PLAN for your family’s philanthropic interests and enjoy tax advantages

Creating your Jewish legacy ensures that you’ll be remembered and your work and Jewish values will continue beyond your lifetime. It’s a meaningful, personal way to honor loved ones, and teach your children and grandchildren the value of philanthropy. You will ensure a strong, vibrant, and engaging Beth El community perpetuates your values long into the future.

*So don’t wait to take the next step.* Please look over the following pages, consult your financial advisor, and [contact the Beth El office today](#) to schedule a no-obligation, confidential conversation.

*Anne Frank*



## **How To Create a Jewish Legacy**

*In addition to making a straightforward donation of cash or securities, there are several viable alternatives to support Beth El. **All can provide significant tax benefits, and many gifts can increase your current income.** Each approach requires careful thought while simultaneously giving consideration to maximizing the impact of charitable dollars, making wise tax decisions, and perpetuating the mission, vision, programs, and services of Congregation Beth El, so please be sure to consult your financial advisor.*

## **CURRENT DONATIONS**

### **Life Insurance**

Buying a life insurance policy that names Congregation Beth El as the irrevocable beneficiary, or transferring ownership of existing policies, enables you to create significant programmatic and/or endowment funds, even if there are not currently sufficient funds to do so. Premiums paid can be taken as charitable income tax deductions for federal income tax purposes, as can the cash surrender value of an existing policy.

## **ESTATE PLANNING**

### **Bequests**

While you may have already identified all of the “usual” details, assigned sentimental possessions, and made provisions for relatives, the simplest way to support Beth El is with one straightforward declaration. By providing that all remaining assets go to Congregation Beth El or to a specific fund, you can significantly reduce the taxes otherwise payable by the estate.

### **Life Income Trust -- Charitable Remainder Annuity Trust**

How can you guarantee yourself and/or your spouse an assured income at a fixed rate, with Beth El benefiting after both lifetimes? Establish an Annuity Trust with Congregation Beth El named as the recipient of the remainder at the end of the trust. The ages of the spouses determines the fixed annual income. Then, both will receive that income for life and receive substantial tax deductions. When either dies, the survivor will get the income and estate taxes will be reduced. Beth El will benefit by the charitable remainder, which will become a permanent charitable fund in the name of the donor(s) on the death of the last income beneficiary.



### **Life Income Trust -- Charitable Remainder Unitrust**

You may recognize that the fixed income approach might “buy” less and less and therefore would look to enable the income to grow over the years. In setting up a special trust, you can alternatively arrange for a Unitrust instead of an annuity trust. With this option, you specify that a percentage of the Trust's assets are paid to the donor each year for life, instead of a fixed number of dollars. (The minimum amount would be 5%.) If the assets grow, your income grows, too. And it's possible to add to the Unitrust at any time.

One special approach is to establish in one's will a Unitrust for one's survivors. The charitable deduction can mean that the survivor will receive a larger income because the assets remaining after taxes will be larger.

### **Charitable Lead Trust**

A Charitable Lead Trust often becomes a viable alternative for a donor wishing to provide for his or her children even though estate taxes will take a big bite out of what is left. With this option, the donor contributes part of the estate to the trust now, and the income goes to Beth El for a designated period of time. Your estate taxes are reduced, leaving more assets for children or grandchildren.

When the trust terminates, the assets - the principal plus all capital appreciated and any undistributed income - are distributed among the designated beneficiaries. Beth El benefits during the years of the trust, and the donor's beneficiaries receive a larger portion of the estate than they would otherwise. The donor receives an income tax deduction for the present value of the income stream, which will go to Beth El.

### **Charitable Gift Annuity**

A Charitable Gift Annuity (CGA) is a popular type of planned gift, empowering donors to make meaningful and lasting gifts. CGAs may be particularly appealing to donors who are concerned about exhausting their financial resources in retirement. CGAs are charitable vehicles that allow an individual or couple, who are at least 65 years old, to make a gift to Congregation Beth El and draw income for life. A minimum gift of \$10,000 is required to establish a CGA.

Once one has created a CGA, he or she will receive income, paid out on a periodic basis. A portion of the gift qualifies for an immediate income tax deduction while a portion of the annuity will be considered tax-free income. The amount of income is based on the donor's age at the time the annuity is created. For example, a 70-year-old may receive an annual annuity rate of 6.0%, an 80-year-old husband and wife as joint annuitants may earn a rate of 7.0%. (Annuities paid for the life of a donor plus spouse will be calculated on the ages of both spouses, if a donor and spouse are named as annuitants.)



### **Individual Retirement Account (IRA)**

When an IRA remains in an estate after the death of both spouses, there can be some very high taxes related to the distribution to heirs. In some cases, the combination of federal estate and income taxes, state and local estate and income taxes can approach 100%. By designating Congregation Beth El as the IRA beneficiary, all of these taxes are avoided and the total taxable estate is reduced. (Note: a waiver by the spouse is required.)

For those who are 70.5 and older, they can send their periodic payments from their IRA or other pension funds to cover part or all of the gifts to Beth El if done in advance. The donor will not receive a tax deduction nor will he/she pay any taxes of the dollars.