



Beneficiary Designations

The 3 Easiest Ways to
Leave Your Legacy





Make a Big Difference With Just a Little Effort

Although many people think of a will as the easiest way to transfer assets after their lifetime, it doesn't cover everything. In fact, retirement plans, IRAs, life insurance and commercial annuities are not controlled by the terms of your will, but instead use separate beneficiary forms to determine who receives them. These beneficiary designations trump your will when it comes to passing along these assets at your death, making them effective and easy ways to leave a legacy.

Retirement Plans and IRAs

If you want to make a difference at Feeding South Florida 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 us 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 us 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.

EXAMPLE

Dan would like to leave Feeding South Florida his \$100,000 IRA after his death. If he names us as the beneficiary for 100 percent of his IRA, we would receive the entire \$100,000 to help fulfill our mission. By comparison, if Dan leaves the IRA to his sister, she will owe a sizable amount of the IRA to income taxes.

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 Feeding South Florida as the beneficiary for a percentage of your life insurance policy's death

Compare the Tax Consequences

\$100,000 IRA
Left to Dan's
Sister vs. Feeding
South Florida

	CHOSEN BENEFICIARY	SISTER	FEEDING SOUTH FLORIDA
Value of Dan's IRA at his death		\$100,000	\$100,000
Federal income taxes (assumes 28 percent marginal income tax bracket)		\$28,000	\$0
Net amount to beneficiary		\$72,000	\$100,000

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.

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 commercial annuity, contact your bank, insurance company or financial institution 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 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.

Commercial annuities. Contact the bank, insurance company or financial institution.

The Importance of Updating Your Designations

Beneficiary designations can be modified at any time to meet your changing needs. Your assets may never reach your intended recipients if you've failed to keep the beneficiary designations up to date. Experts suggest reviewing them every two to three years when you review your entire estate plan.



We want to work with you to create a gift that best fits your circumstances and our needs. To learn more about the benefits of designating Feeding South Florida as beneficiary of your retirement assets, life insurance or commercial annuities, please contact us today.



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