

# DID YOU KNOW?

## 1 You can avoid capital gains tax on highly appreciated assets.

By donating a highly appreciated asset to the Oklahoma City Community Foundation, you can avoid paying capital gains on that asset. The Community Foundation is able to sell the asset and avoid any capital gains tax.

## 2 You can leave a bequest to charity without changing your will or trust by making a beneficiary form change on any retirement plan including an IRA, annuity, 401k, 403b or life insurance policy.

Just list your favorite charity(ies) as primary beneficiaries and what amount or percentage you are interested in gifting. You can also list a charity(s) as a contingent "beneficiary" in the event that none of your primary beneficiaries are living at time of your death.

## 3 You can transfer your house or other personal property to charity without changing your will or trust.

By using a transfer on death deed, you may record (file) the deed with the local land records office before your death, but you are free to change your mind and revoke the deed at any time during your life. Upon death it will go to charity.

## 4 You could avoid paying income tax on your required minimum distribution (RMD) from your traditional individual retirement account (IRA).

"How?" you ask....by making a qualified charitable distribution (QCD) from your IRA to a charitable organization endowment at the Oklahoma City Community Foundation! By doing so, you can make a contribution to charity, avoid taxation on the withdrawal from the IRA and satisfy your RMD requirements.

## 5 The most tax efficient way to leave a charitable gift from your estate is through a retirement account.

By naming the Oklahoma City Community Foundation as one of the beneficiaries of your retirement plan, the gift will be tax-free.

If you are subject to estate tax, your estate will also receive a charitable deduction to offset potential liabilities. Simply request a beneficiary designation form from your retirement plan administrator and list the Oklahoma City Community Foundation as a primary or contingent beneficiary. Make sure you communicate your intent of a gift to the executor of your estate as well as to the Community Foundation.

## 6 You can name the Oklahoma City Community Foundation as a partial or full beneficiary on any of your retirement funds or life insurance policies.

It's as simple as requesting a beneficiary designation change form from your financial institution, including the Community Foundation as a beneficiary alongside any other heirs and returning the form to the financial firm for processing, before your death, but you are free to change your mind and revoke the designation at any time during your life. Upon death it will go to charity.

## 7 You can have a powerful impact on society with one simple sentence.

By making a provision in your will or trust to leave a gift to the Oklahoma City Community Foundation, you can provide a lasting gift to support charities for generations to come. That provision can be a specific dollar amount, percentage of an estate or remainder of an estate after all debts have been paid.

# DID YOU KNOW?

## 8 You could make a gift to the Oklahoma City Community Foundation in exchange for a guaranteed lifetime income stream.

Simply make a gift of cash, stocks, bonds or even real estate to the Community Foundation in exchange for a charitable gift annuity. You receive an immediate charitable income deduction, guaranteed lifetime income, and any funds left in the annuity upon your passing transfer to support charitable causes you designate.

## 9 Congress passed the Setting Every Community Up for Retirement Enhancement (SECURE) Act on December 19, 2019.

The SECURE Act includes many provisions designed to facilitate and enhance saving for retirement, but no longer allows non-spouse beneficiaries of IRAs to take a distribution over their life expectancy. Instead, the new law requires the funds be paid out over a maximum period of 10 years. (Exceptions: minors and individuals who are within 10 years of the age of the IRA owner.) For those interested in providing support beyond the 10-year time frame and seeking to support the Community Foundation, a charitable remainder trust is the perfect answer. You can stretch the beneficiary payments over the life of the beneficiary and whatever is left in the trust at the end of their life will pass to the Community Foundation.

## 10 You could gift your house to the Oklahoma City Community Foundation while still living there and receive a charitable deduction.

You simply execute a transfer on death deed, giving the Oklahoma City Community Foundation ownership of your house. Once you vacate the property, the Community Foundation has the ability to sell the property and use the funds to support an existing endowment or create a new one to benefit your favorite charity(s). The advantage is that you receive an immediate income tax deduction, relieve your heirs from the burden of selling the property and, for large estates, could eliminate or reduce taxes because the value of the property is removed from the estate. It's called a retained life estate gift. After you and your named beneficiaries no longer have use for the property, the foundation will liquidate and place the funds into a charitable fund.

## 11 You can assign a certificate of deposit (CD), money market account, checking account or savings account to charity without changing your will or trust.

Through a transfer on death or payable on death beneficiary form, which can be found at your bank, you can list your favorite charity as the beneficiary of these funds.

## 12 If you are considering liquidating a business or real estate holdings, there is a way to transfer a portion if not all to a trust held at the Oklahoma City Community Foundation that may eliminate the capital gains tax due.

You simply execute a transfer on death deed, giving the Oklahoma City Community Foundation ownership of your house. Once you vacate the property, the foundation has the ability to seize the property and use the funds to support an existing endowment or create a new one to benefit your favorite charity(ies). The advantage is that you receive an immediate income tax deduction. Relieve your heirs from the burden of selling the property and, for large estates, could eliminate or reduce taxes because the value of the property is removed from the estate. This is called retained life estate gift. Nothing changes except the owner of the deed. You are still responsible for the taxes and maintenance of the property.

## 13 That you could make a gift to the Oklahoma City Community Foundation, receive a charitable deduction, and then at some point whatever is left in the trust can be returned to you.

It's true, a Grantor Charitable Lead Trust allows you to establish a trust, select a period of years for charitable distributions to be made, receive a charitable deduction for the net present value of the distributions to charity and then at the end of the trust term whatever amount is left is returned to you.