

## **NAVAL AVIATION MUSEUM FOUNDATION**

### **Planned Giving Opportunities**

#### **Bequests**

One of the primary ways that many people support the work of the National Naval Aviation Museum is by naming the Naval Aviation Museum Foundation, Inc. as a beneficiary in their will. There are a variety of ways this can be done. You can designate an outright gift of a certain dollar amount, or you can specify a percentage of your estate. As in all cases of estate planning, the Foundation believes it is paramount that you ensure your family is aware of, and understands, your desires at the time of the writing of your will or codicil.

#### **Gifts of Cash**

If you itemize your tax returns, you will find that your charitable gifts to the Foundation are deductible, up to a maximum of 50% of your Adjusted Gross Income (AGI). Gifts of more than 50% of your AGI can usually be carried forward and may reduce your tax burden for up to five additional years. Some employers will match your charitable gifts, making your gift worth even more to the Foundation. If your employer has such a program, just enclose their matching gift form along with your check.

#### **Charitable Remainder Unitrust**

This is a trust in which the appreciated assets (stock, land, etc.) is put in trust for the Foundation. The trust returns an income to the donor for life, or for a set period of years (not more than 20). The annual, semi-annual, or quarterly payment of income to the donor (or designated beneficiary) is based on a percentage (not less than 5%) of the trust assets as they are valued annually. Upon the death of the donor or the designated beneficiary, the principal of the trust is transferred to the Foundation.

#### **Charitable Remainder Annuity Trust**

This is similar to the unitrust except that the amount of the payment to the designated beneficiaries is fixed at a percentage (not less than 5%) of the fair market value of the transferred assets at the time of the creation of the trust and is not revalued each year. The principal of the trust is transferred to the Foundation upon death.

#### **Gifts of Life Insurance**

By designating the Foundation as both the owner and the beneficiary of a life insurance policy, you could benefit from a significant charitable deduction of your tax bill. The policy could be an old one that your planning determines is no longer needed, or it could be a brand new policy. Some employers have, as one of the benefits provided to employees, a program which allows for designating charitable recipients in their insurance program.

#### **Gifts of Real Estate**

Lots, acreage, vacation homes, etc., may also have greatly appreciated during the years you have owned them. Now you find that your plans have changed and you don't need or want that property any longer. You are faced with a hefty capital gains tax due to the appreciation of the property's value. Much like appreciated stock, your gift of real estate can result in a deduction for the fair market value (independently assessed) and an avoidance of the capital gains tax.

### **Gifts of Retirement Funds**

You may find that your retirement accounts are a major financial resource, and rather than relinquishing a large portion of them to taxes after your (and your spouse's) lifetime, you may want to consider the benefits of using them as a source for charitable giving. To leave the balance of a retirement account to us, you would advise the plan administrator of your wish and sign whatever form(s) required.

Due to the complex technical nature of retirement planning, we advise that you get in touch with your estate planning advisors, who are qualified to arrange gifts from retirement plans. Contact us at (800) 327-5002 if we can provide information or assistance to you or your counselors.

### **Gifts of Stocks**

If you have owned some stock for more than a year and it has appreciated while you have owned it, you will probably owe a capital gains tax when the stock is sold. Sometimes it is tax-smart to use that appreciated stock in your charitable giving. Through Planned Giving in support of the Foundation, you may find that you not only don't owe any tax on the increased value of the stock, but that you can also get a deduction for the full value of the stock at the time it is given to the Foundation. This deduction may be spread over a period of up to five subsequent years if the amount of the gift is in excess of 30% of your AGI.

### **Life Income Agreements**

Sometimes a person may have a substantial estate, but that person may still be "using" that property or want to keep the value of their estate intact during their lifetime. They may even want to have an income flow from that asset (stock, land, or insurance annuity) for the rest of their life. The question they usually have is, how can they protect the estate they have worked so hard to build from excessive reduction due to estate taxes? There are many ways that this can be legally done. Through Charitable Remainder Trusts (annuity trusts and remainder unitrusts,) those appreciated assets can be transferred to the Foundation and income from those assets can be directed back to the donor. Many of the same tax advantages (avoiding capital gains taxes and receiving benefit of the charitable deductions in the year of the gift) still apply.

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There are many variations of these gift options. These plans can be tailored to your desires and family needs. The benefits are in the advantages provided toward gift and estate taxes. These plans need to be discussed with your attorney and tax advisor. Our efforts to preserve and protect the proud heritage of Navy, Marine Corps, and Coast Guard Aviation continue with your support. We would like to express our sincere appreciation to you for your confidence and participation.