

GIFTS THAT CHANGE LIVES



AN EASTER SEALS GUIDE TO GIVING

TABLE OF CONTENTS

- 3** The Rewards of Giving
Plan a gift that meets your needs
- 4** A Current Will or Trust
Vital documents
- 5** Remember Us In Your Will
Making a bequest is easy
- 6** What to Give
Assets worth donating
- 8** Your Retirement Plan Assets
Costly to inherit
- 10** Customize Your Giving
Choose an option that matches your goals
- 12** Life Insurance
A versatile tool for many purposes
- 13** Charitable Gift Annuity
A gift that pays you for life
- 14** Real Estate
A tax-wise gift
- 15** Charitable Remainder Annuity Trust
A gift to Easter Seals with predictable benefits to you
- 16** Charitable Remainder Unitrust
A gift with built-in flexibility
- 18** Charitable Lead Trusts
Preserve an inheritance

THE REWARDS OF GIVING

Plan a gift that meets your needs

As we confront the challenges of the future, we know that the generosity of those who believe in Easter Seals will make all the difference in the lives of the people we serve.

A cash gift is one of the easiest methods for making a charitable contribution. You will see the immediate results, and, if you itemize on your tax return, you will enjoy a tax deduction on the full value of your gift.

There are many other ways to give that, in addition to making a difference in the lives of people with a disability, can help you improve your financial and tax situation—often right away.

This booklet allows you to explore opportunities that combine your philanthropic giving with your financial needs and tax planning strategies, so you can secure your own financial future, as well as ours.

To design a gift that benefits you and Easter Seals, we recommend that you obtain professional counsel. We can work with your advisors to help you plan for tomorrow and receive maximum benefits today.

POTENTIAL BENEFITS OF OUTRIGHT GIVING AND GIFT PLANNING

- » Receive a current income tax deduction.
 - » Eliminate long-term capital gains tax.
 - » Increase income and effective rate of return.
 - » Reduce possible estate and gift taxes.
 - » Leave a lasting legacy.
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A CURRENT WILL OR TRUST

Vital documents

Have you put off updating your Will or living trust? Maybe you think it costs too much to do. Perhaps you are having a hard time deciding how to leave your money, or you may simply be uncomfortable with making end-of-life plans.

Drafting these documents may seem like a daunting task at first, until you realize the peace of mind and all the good that comes from having them.

A bequest from either a Will or living trust lets you pass any amount you wish to your heirs free of estate tax. You can give cash, specific property or a percentage of your estate, with restrictions or without. Because your gift doesn't come to us until after your lifetime,

you can change your mind at any time.

To make sure your Will accomplishes your goals according to your wishes, we recommend that you obtain the professional counsel of an attorney who specializes in estate planning.



BENEFITS

- » Provide for your family after your death.
 - » Distribute your assets according to your wishes.
 - » Save on estate taxes with proper planning.
 - » Leave a legacy without giving up assets today.
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REMEMBER US IN YOUR WILL

Making a bequest is easy

Many people have good intentions about providing for Easter Seals, but they do not always follow through with their plans. Perhaps you have been considering a gift to us, but your cash flow prevents an outright gift.



When considering the various deferred gifts discussed in this booklet, please keep in mind that one of the simplest ways for you to make a future contribution to us is through your Will.

Example: To expedite your good intentions, here is a recommended clause for making an outright, unrestricted bequest to us.

Easter Seals is to receive the (sum of [specific amount] or [percentage] percent of the rest, residue and remainder of my estate). This bequest is unrestricted, and the board or other governing body may use and expend the bequest in any manner it deems appropriate.

If you make annual gifts to us and would like to continue your support after your lifetime, you can arrange an endowed gift through your Will. This ensures that your gift will continue in perpetuity.

If you are planning to make us one of your beneficiaries, we encourage you to tell us now. That way, we can help you obtain the greatest possible satisfaction from your gift.

WHAT TO GIVE

Assets worth donating

Any type of asset that you irrevocably donate to a charitable organization like Easter Seals results in a current income tax deduction, but there may be other tax benefits from your contribution.

If you contribute appreciated securities that you have held more than one year, you have the added benefit of eliminating the tax on the gain.

You can also give Easter Seals tangible personal property (like an art object, prized collection or antique) and take a deduction for its full fair market value if the gift is used for our exempt function.

These are but two of the types of assets you can donate outright to us today. Using assets other than cash allows you more flexibility when planning your gift, and there are even more potential benefits if you plan your gift creatively.



BENEFITS

- » Receive a current income tax deduction for gifts of securities.
 - » Provide relief from capital gains tax with gifts of securities.
 - » Make meaningful gifts with donations of personal property.
 - » Help fulfill Easter Seals' mission with your contributions.
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EXAMPLE

Donor

Dave has stock currently valued at \$20,000 that he purchased for \$4,000 several years ago, which will result in a \$16,000 capital gain if he sells the securities. He is in a high marginal income tax bracket.

Tax-Saving Strategy

Dave donates the stock to Easter Seals.

Benefits

- » Dave receives an income tax charitable deduction for the full fair market value of \$20,000.
- » Dave bypasses the taxes on the \$16,000 capital gain.
- » Total tax savings from capital gains and income taxes reduces the out-of-pocket cost of his gift.

YOUR RETIREMENT PLAN ASSETS

Costly to inherit

Did you know that most retirement plan assets are facing double taxation? Assets remaining in retirement plans funded with pretax dollars are considered “income in respect of a decedent” at your death. So the amount left to heirs is diminished not only by estate taxes, but the recipient also must pay income taxes on it!



If you can make other provisions for your family, there is a better option for your retirement plan assets—a charitable gift after your lifetime.

To name us as the beneficiary, first consult your advisor, then instruct the plan administrator of your decision and sign whatever form is required. For an IRA or Keogh plan you administer personally, notify the custodian in writing and keep a copy with your valuable papers.

BENEFITS

- » Eliminate all federal income and estate taxes when you name Easter Seals as the primary beneficiary.
 - » Receive partial savings when you give us a specific amount before giving your family the remainder.
 - » Name Easter Seals as the contingent beneficiary, which allows for greater flexibility.
 - » This cost-effective gift saves less-taxed assets for loved ones.
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EXAMPLE

Bill's Estate Plan

Bill's estate contains his personal possessions, an insurance policy and a sizable profit-sharing account. Bill wants to provide for his children, but he also wishes to leave a charitable gift—with the rest of his estate passing to his children.

Tax-Saving Strategy

He considers naming Easter Seals as beneficiary of his profit-sharing account.

Benefits

- » Assets in the profit-sharing account pass to Easter Seals free of any income tax obligation.
- » The value of Bill's gift to charity qualifies for an estate tax charitable deduction.
- » Bill's children benefit from other assets in his estate that are free of income taxes.
- » Bill can change his mind at any time.

CUSTOMIZE YOUR GIVING

Choose an option that matches your goals

Your Gift	Bequest	Outright gift of cash	Outright gift of securities	Outright gift of personal property	Gift of retirement assets
Your Goal	Defer a gift until after your lifetime.	Make a quick and easy gift.	Eliminate tax on long-term capital gains.	Share your enjoyment of a collection or other personal item.	Avoid the twofold taxation on IRAs or other retirement plans.
How to Make the Gift	Name us in your Will or living trust. (Designate a specific amount, percentage or share of the residue.)	Simply write a check or make a cash donation now.	Contribute long-term appreciated stock or other securities.	Donate tangible personal property related to our tax-exempt function.	Name Easter Seals as the beneficiary of your retirement account after your lifetime.
Your Benefits	<ul style="list-style-type: none"> • control of your assets for your lifetime • donation exempt from federal estate tax 	<ul style="list-style-type: none"> • immediate income tax deduction • removes property from future taxable estate 	<ul style="list-style-type: none"> • immediate charitable deduction • elimination of long-term capital gains tax 	<ul style="list-style-type: none"> • charitable deduction based on the full fair market value 	<ul style="list-style-type: none"> • allows you to make the gift from the most highly taxed assets, leaving better assets for family

Gift of life insurance	Retained life estate	Gift of real estate	Charitable remainder trust	Charitable lead trust	Charitable gift annuity
<p>Make a large gift with little cost to yourself.</p>	<p>Give your personal residence or farm now, but continue to live there.</p>	<p>Make a gift of property no longer needed and generate an income tax deduction.</p>	<p>Secure a fixed and often increased income, or create a hedge against inflation.</p>	<p>Reduce gift and estate taxes on assets you pass to children or grandchildren.</p>	<p>Supplement income with steady payments that are partially income tax-free.</p>
<p>Change ownership on a life insurance policy you no longer need.</p>	<p>Designate ownership of your home to Easter Seals, but retain occupancy for life.</p>	<p>Donate the property to Easter Seals.</p>	<p>Create a trust that pays income annually; the principal is retained for Easter Seals.</p>	<p>Create a charitable trust that pays fixed or variable income to Easter Seals for a specific term of years; the principal is retained for heirs.</p>	<p>Establish a charitable gift annuity contract with us that pays a set amount for life.</p>
<ul style="list-style-type: none"> • current income tax deduction • possible future deductions through gifts to pay future premiums 	<ul style="list-style-type: none"> • valuable charitable income tax deduction • lifetime use of residence 	<ul style="list-style-type: none"> • immediate income tax deduction • reduction or elimination of long-term capital gains tax 	<ul style="list-style-type: none"> • variable or fixed income for life • immediate income tax charitable deduction 	<ul style="list-style-type: none"> • reduces your taxable estate • property kept by your family, often with reduced gift taxes 	<ul style="list-style-type: none"> • current and future savings on income taxes • fixed payments for life for one or two individuals

LIFE INSURANCE

A versatile tool for many purposes

When you obtained your life insurance policies, you had a need for them, but perhaps you do not need all that coverage today.

If you are thinking about a contribution to Easter Seals, a gift of your life insurance could be a sensible and generous course of action. If you make us owner of the policy, you will normally receive an income tax deduction for the policy's fair market value or cost basis, if lower, on the date of the gift. If you name us beneficiary of the policy (and retain ownership), you won't be eligible for current tax benefits because the gift is revocable at any time.

Whether you name us as owner or beneficiary of the policy, your estate will not pay estate taxes on the policy proceeds we receive.

BENEFITS

Name Easter Seals as owner.

- » Receive a charitable income tax deduction when you name us as beneficiary and assign us ownership.
- » Receive future income tax deductions when you name us as owner and continue to pay premiums.

Name Easter Seals as beneficiary.

- » Obtain flexibility by naming us as primary beneficiary but keeping ownership.
 - » Name us as contingent beneficiary and secure your family's needs first.
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CHARITABLE GIFT ANNUITY

A gift that pays you for life

The concept of a gift annuity is simple. You donate assets that we invest. We agree to make fixed payments to you for life (and, if desired, for another beneficiary's lifetime). At the end of the agreement, the funds are available for our use.



A charitable gift annuity is attractive because it ensures you a stream of income that you can't outlive. It is also a superb way to make an enduring gift to strengthen Easter Seals when the balance becomes available for our important needs.

The rate you receive is determined by your age on the date of the gift. Annuity rates are higher for older donors, but the rate remains constant once the gift is made. For two lives, the rates are slightly lower because the period of payment is usually longer.

BENEFITS

- » Receive secure lifetime payments from a stable charity that has been around for almost a century.
 - » Obtain a charitable deduction for a portion of the value of the gift.
 - » Secure partially income tax-free payments.
 - » Save on capital gains taxes when you contribute appreciated securities.
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REAL ESTATE

A tax-wise gift

Are you thinking of selling land or a building? Beware of capital gains tax!

If you sell your primary residence, you can exclude up to \$250,000 (\$500,000 if you are married) of the gain. This tax break does not apply to other types of real estate, so consult your advisor for alternatives to selling.

A charitable contribution of real estate—whether it is your personal residence, a vacation home, a farm, commercial real estate or vacant land—will give you numerous advantages.

When you give your home or other real estate to Easter Seals, you create an enduring testimonial of your interest in our mission. Your personal satisfaction is also complemented by valuable tax benefits.

A retained life estate is an option that enables you to make a gift of your home to us but remain in it for the rest of your life. The property doesn't have to be your primary home, but it must be a personal residence. You'll still pay property taxes, maintenance costs and insurance.

BENEFITS

- » Receive an income tax charitable deduction for the full fair market value.
 - » Eliminate tax on a portion of the property's appreciation.
 - » Avoid the hassle of trying to sell the property.
 - » Make a gift to support a great cause, and reduce your taxable estate.
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CHARITABLE REMAINDER ANNUITY TRUST

A gift to Easter Seals with predictable benefits to you

If you are disappointed in the yield from your current investments in the stock and bond markets, yet you want to eliminate the capital gains tax should you sell, consider a charitable remainder annuity trust.

This plan will pay you, year after year, the same dollar amount you choose at the outset. The income payments are fixed, based on the starting valuation. Then, after your (or other named beneficiary's) lifetime and the lifetime of the survivor beneficiary (if desired), the balance in the trust is available to support Easter Seals' mission.

The charitable remainder annuity trust is more than an eventual gift to Easter Seals. It lets you give away the tree and still keep the fruit because you receive an income stream from your donation.

BENEFITS

- » Receive a fixed dollar income paid annually, semiannually, quarterly or monthly.
 - » Obtain a partial charitable deduction.
 - » Increase your income from a low-yield asset.
 - » Gain freedom from investment management.
 - » Eliminate up-front capital gains tax on long-term appreciated assets used to fund the trust.
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CHARITABLE REMAINDER UNITRUST

A gift with built-in flexibility

A charitable remainder unitrust is like a combination of a gift and an investment plan. You place assets in trust, and you (and/or another beneficiary) receive lifetime income from them—then we receive the remainder.

With a unitrust, the amount you receive as income is a set percentage of the value of the trust assets, redetermined annually.

You also have the option of choosing one of five variations of unitrusts. A unitrust with a net income plus makeup provision, for example, pays only the actual trust yield, even if it is below the stated percentage. Then in later years, when the beneficiary needs more income, the trustee can invest the assets to generate a higher return and make up earlier deficiencies.

This option is excellent for devising a supplemental retirement plan. Easter Seals or your advisor can provide you with more details.

BENEFITS

- » Receive lifetime variable income (often greater than the yield on contributed assets).
 - » Obtain a sizable income tax charitable deduction.
 - » Eliminate up-front capital gains tax if you donate long-term appreciated securities.
 - » Make a significant gift to one or more charitable organizations.
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EXAMPLE

Donor

Jane, 60, has stock currently valued at \$100,000 and yielding a 2 percent dividend.

Gift Vehicle

Charitable remainder unitrust

How It Works

Jane transfers the stock to the unitrust and arranges to receive in quarterly payments 7 percent of the market value of the unitrust assets as determined annually.

Benefits

- » Jane receives an income tax charitable deduction for the charitable portion.
- » The first year she receives \$7,000 (7 percent of \$100,000), a \$5,000 increase in income.
- » If the value of her trust increases, so will her income payments. Jane will then have a built-in hedge against inflation.

CHARITABLE LEAD TRUSTS

Preserve an inheritance

Are you concerned about the possibility of the government taking a huge part of the assets you were planning to leave your heirs?

There is a strategy to pass assets to your family with significant estate tax savings while making a gift to Easter Seals. It is called a *charitable lead trust*.



After we receive income from assets in the trust for a period of years, the principal goes to your selected loved ones, with estate or gift taxes usually reduced or even eliminated.

The lead trust is an exceptional way to transfer property to your children or other heirs at minimal tax cost. It is ideal if you are willing to forgo investment income on an asset but do not want to have estate taxes reduce the principal passed to heirs.

With a lead trust, you carry out your philanthropic plans over the coming years and save on taxes.

POTENTIAL BENEFITS

- » Fund the trust during your lifetime or through your Will.
 - » Support our mission through annual income payouts.
 - » Reduce your taxable estate and potential gift taxes.
 - » Keep assets in the family.
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MAKE A PLAN TO MAKE A DIFFERENCE

Good planning offers the ability to provide for your loved ones, create a legacy for future generations of your family and for your community, and to make a difference—by giving to organizations like Easter Seals.

How and what you give to friends, family, loved ones and charities are guided by the values that were passed on to you from previous generations, by your goals and by your imagination.

For nearly a century, Easter Seals has been making a difference in the lives of people with disabilities and their families. You have helped make it so, continuing a tradition grounded in a uniquely American idea: that one person really can make a difference.

You have shown through your support that helping some of the most vulnerable among us is important to you. If preserving Easter Seals' ability to help the next generation is one of your hopes for the future, we urge you to consider including Easter Seals in your plans.



The information in this publication is not intended as legal advice. For legal advice, please consult an attorney. Figures cited in examples are for hypothetical purposes only and are subject to change. References to estate and income taxes include federal taxes only. State income/estate taxes or state law may impact your results.



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