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# YOU CAN LEAVE A BIG LEGACY

Planned giving allows you to make a legacy gift to Big Brothers Big Sisters Independence (BBBSI) as a part of your overall estate plan, taking your needs and the needs of your loved ones into consideration while elevating your IMPACT.

## How will my family and other loved one's benefit?

A planned gift can create potential savings on capital gains taxes or estate taxes, lessening the financial burden on your family and loved ones. Since the assets that you transfer to BBBSI remain outside of your taxable estate, your loved ones' estate tax liability is reduced.

Currently, BBBSI is accepting gifts of bequests, IRAs/retirement plans, and insurance policies.

## How can I create a legacy gift?

### BBBSI accepts:

1. Gifts of bequests designated in your will,
2. IRAs/retirement plans, and
3. Insurance policies

**Have you already  
dedicated a planned gift?  
Let us know!**

## CONTACT:

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We understand how important it is to leave a meaningful legacy for your family and community. Please speak with a trusted financial advisor before making any commitments or changes to your current plans.

### Big Brothers Big Sisters Independence Region

123 S. Broad Street, Suite 1050, Philadelphia PA 19109 | Tax ID: 23-1352034



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# How can I make a planned gift to BBBSI?

## Designate BBBSI as a beneficiary:

### 1. In your will.

Donors have several options for making bequests:

- a) As a specific bequest in the donor's existing will. Bequests are listed at the beginning as these are set aside before the balance of the assets are distributed.
- b) As a codicil to the donor's existing will. Rather than amend the document each time a bequest is added, a donor may attach a codicil which acts as a supplement to the will.
- c) By reference. The will may reference a letter of instructions listing bequests to charities. The letter must be authenticated and dated.

Suggested bequest language: I give the sum of \$ \_\_\_\_ ( or \_\_\_\_%) to Big Brothers Big Sisters Independence Region, 123 S. Broad Street, Suite 1050, Philadelphia, PA 19109; TAX ID: 23-1352034, to be used or disposed of as its Governing Board deems appropriate in its sole discretion.

### 2. With a life insurance policy.

You can contribute all or part of an insurance policy that you own but no longer need, or you can name BBBSI as a beneficiary. By giving your policy to BBBSI, you can take advantage of several tax deductions. Policy transfer is considered a charitable donation and can significantly reduce your taxable estate. You may also be able to deduct paid premiums.

While the same tax advantages aren't offered by naming BBBSI as a beneficiary, you can still reduce taxable assets for your loved ones.

### 3. In your IRA or retirement plan.

Contributing your IRA or other retirement plan is a tax-efficient manner of directing assets otherwise subject to income tax and estate tax. Unlike other assets owned at death, IRA's and other retirement plans are not "stepped up" to fair value since these assets contain income that has not been recognized (known as "income in respect of a decedent"). Consequently, the recipient of these payments is subject to income tax and the asset is included at fair value for inheritance tax. Instead of the decedent's spouse or children receiving the annual distributions, payments are made directly to BBBSI and not subject to income tax. The value of the IRA is also not subject to inheritance tax having been left to charity. If having a choice between a bequest of stepped-up securities (which have no inherent income tax) or an IRA, the IRA is the better choice for a donor. BBBSI as the recipient is not subject to income taxes on the payments.

This is also simple to implement as a donor need only change the beneficiary designation of the IRA. It is not all or nothing – options include a designation of a fixed amount to BBBSI with the balance divided among a spouse or children. But the beneficiary form must be completed and executed for this to occur.



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