

# LEAVING A LEGACY



Ensuring sound tax policy  
for every generation



LEGACY  
SOCIETY



Dear friend,

There are many ways to support the Tax Foundation with a planned gift including simple beneficiary designations from 401(k) plans, IRAs, life insurance policies, bank accounts, or remaining money in a donor-advised fund. These designations are simple and don't require the expertise or expense of hiring an attorney.

Taxpayers over age 70½ can make charitable donations directly from their IRA and will not be taxed on the amounts up to \$100,000!

If you're considering a Charitable Gift Annuity, give me a call and we'll prepare a detailed illustration for you highlighting rates, payments, and tax considerations.

Gifts of appreciated stock are also a terrific way to support the Tax Foundation and may provide you some relief from capital gains tax as well as a charitable-gift tax deduction.

Lastly, the most common type of planned giving is a simple gift through your individual will. For this reason, we've dedicated most of this brochure on explaining how to include a gift to the Tax Foundation in your will.

Please let me know if you have any questions, or if you've already included the Tax Foundation in your estate plans. Thank you for your consideration.

Improving Economies, Empowering Lives,



Scott Hodge  
President, Tax Foundation  
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## What is the purpose of a will?

Each individual brings his or her unique goals to a will, and these goals may change over the course of a lifetime. Common purposes of a will include providing for a spouse and/or children, covering funeral costs, honoring family members and friends, and leaving a legacy through gifts to charity. Writing a will gives you the opportunity to communicate your values to your loved ones and to future generations.

## What are the legal requirements of a will?

Although how your property is passed on is controlled by the law of the state in which you reside, generally speaking, a will is the most common way to direct how your assets will be distributed upon your death. A court must review and approve a person's will before it can go into effect. Accordingly, it is important for your will to meet the legal requirements for your state. Some typical requirements:

- Your will must be in writing
- You must be mentally competent at the time you sign the will. (Mental competence simply means that you must be aware of what you are doing, and not impaired by an issue like dementia or intoxication.)
- You must sign the will, and affirm that it is your last will and testament, in the presence of two witnesses. These witnesses must be “disinterested”; that is, people who are not receiving gifts in the will.
- Each witness must sign the will and affirm that you signed it and acknowledge it as your last will and testament.
- If you have a living spouse, your will may not disinherit him or her. If your will does not adequately provide for your spouse, most states have statutes that will allow the spouse to claim one-third to one-half of the estate.
- If you already have a will and wish to modify it by adding the Tax Foundation as a beneficiary, a simple codicil may serve this purpose, rather than a total rewriting of your entire will.

Remember, your state may have additional requirements that your will must satisfy. We strongly encourage you to speak to an attorney who is familiar with wills specifically and estate law generally in the state in which you reside.

## How do I make a gift to the Tax Foundation in my will?

Making a gift to the Tax Foundation in your will is a wonderful way to leave a legacy that reflects your values and support for sound tax policy. Such a gift will help ensure the Tax Foundation has the resources to fight for tax reform that encourages growth and opportunity for generations to come.

The Tax Foundation can accept specific bequests and/or residuary estate bequests. When designating the Tax Foundation as a beneficiary, please refer to our full corporate name, Tax Foundation, and our Federal Employer Identification Number (FEIN): 52-1703065.

When bequeathing a gift to the Tax Foundation, we recommend the following legal language:

*"I hereby give, devise, and bequeath [insert gift] to the Tax Foundation (FEIN: 52-1703065), a not-for-profit corporation incorporated in the District of Columbia, with principal offices located at 1325 G Street NW, Suite 950, Washington, D.C., 20005, to be used for general purposes in furtherance of its mission."*

If you are considering a bequest but would like your bequest to be used for a specific purpose within the Tax Foundation's scope, please let us know. We would be happy to work with you and your attorney to help you craft language and identify ways to give and meet your charitable objectives.

## Charitable Gift Annuities (CGAs)

A CGA contract is an agreement between a donor and a nonprofit organization whereby the donor transfers cash to the organization in exchange for the organization's promise to make fixed annuity payments to one or two life annuitants.

Upon the annuitant's death, the remaining value of the annuity goes to the nonprofit organization.

The Tax Foundation works with the National Gift Annuity Foundation with respect to charitable gift annuity contracts. Under this arrangement, the contract would be between you and the National Gift Annuity Foundation, with the Tax Foundation listed as the beneficiary. The National Gift Annuity Foundation uses the American Council on Gift Annuities for determining the amount of the annuity payment.

Please contact us if you would like to see an illustration highlighting the rate, annuity payment, and estimated tax deductions.

## What about consulting an attorney?

We recommend that you speak to an estate-planning attorney when you first decide to write your will or trust. There are many “fill-in-the-blank” boilerplate wills available online, but they are no substitute for personalized, legal advice. You should also speak to an attorney if you wish to amend your will. Finally, if you move to another state, you should check with an attorney in your new state of residence to ensure that your will is still valid.

## Final thoughts

Planning your estate is an important opportunity to provide for the people and causes that matter most to you. I hope that this brochure will make navigating the process easier. If you wish to leave a legacy that helps secure our country's economic future, please do not hesitate to contact the Tax Foundation for assistance. Your careful planning today can ensure a bright tomorrow!

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*The [Tax] Foundation's distinguished record of accomplishment should be a source of pride to its members, who deserve the thanks of all our citizens for their dedication to a task which contributes so much to effective functioning of the American democratic system.*

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*– John F. Kennedy*



The Tax Foundation is the nation's leading independent tax policy research organization. Since 1937, our research, analysis, and experts have informed smarter tax policy at the federal, state, and local levels.

## Learn More


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