

PLANNED GIVING GUIDE

Prepared by the Tsfat Education Fund

THE IMPORTANCE OF WILLS

You've worked hard to build your estate, and you deserve the right to determine who receives your assets upon your passing. When you write a will, you create a legal document that names an executor, or administrator of your estate and directs how it will be distributed.

In today's complex financial landscape, it has never been more urgent to ensure that you are the one making the decisions concerning your estate—decisions that will affect your loved ones and philanthropic causes well into the future.

By creating a will you can:

- Designate portions of estate to go to those other than your direct heirs, including your favorite philanthropic causes;
- Create trust funds and charitable endowments that will reduce the amount of inheritance tax your heirs must pay;
- Name an executor to ensure that your property is distributed according to your wishes.

If you die without a will:

- The court will appoint an administrator, who will distribute your assets according to state law. A court-appointed administrator will not know your personal interests or desires;
- You may not be able to leave contributions to charities and causes that are meaningful to you, as state laws do not consider religious and charitable institutions as heirs;
- Assets may go to unknown or unintended relatives.

IMPORTANT STEPS IN CREATING YOUR WILL

1. Value your assets. Make a list of everything you own.

2. Decide who will benefit. Consider the people and/or charities to whom you want to pass on your assets. Write down their names and addresses and what you would like to leave them.

3. Designate your executor(s). Select one (or more) family member, friend or advisor who will make sure your wishes are followed.

4. Choose an attorney. Since a will is a legal document, you may wish to use an attorney to ensure that your will reflects current federal and state tax laws and that all your wishes will be carried out.

5. Keep your will safe. Ask your attorney or your bank to fulfill this role.

6. Review your will on a regular basis. Wills should be reviewed periodically to make sure they account for changes in your life, including change of marital status, births, loss of loved ones, or an out-of-state relocation in that different state tax laws may apply.

MANY WAYS TO LEAVE A BEQUEST

There are many ways to make a bequest to the **Tsfat Education Fund**. Methods include:

Bequeathing in your will:

- A specific cash amount. (This is the most direct way to leave a bequest.)
- A share or percentage of your estate (residuary legacy). (**Tsfat Education Fund** shares in increases or decreases in the value of your estate, which can eliminate concern that a charitable bequest will reduce inheritance for heirs.)
- Tangible personal or real property. (These gifts include real estate or land, or personal possessions such as artwork or jewelry.)

Designating a gift outside your will:

- Gifts of retirement assets. (Using IRA or qualified retirement plan funds is an excellent source of assets to fund bequests. By designating **Tsfat Education Fund** as a beneficiary (or a contingent beneficiary after the death of a spouse), the funds pass free of taxes to heirs. If estate assets are significant, these funds may be subject to estate tax and if left to your children may be subject to income tax as well.)
- Gifts of life insurance policies. (You may name **Tsfat Education Fund** as beneficiary or contingent beneficiary of your policy. Making such a gift simply requires completing a change of beneficiary form.)
- Gifts of bank or investment accounts. (You may name **Tsfat Education Fund** as successor to your bank or investment account in most states. The arrangement is known as TOD/POD or Transfer-on-Death/Payable-on-Death.)
- Gifts of U.S. Savings Bonds. (If estate assets are significant, these funds may be subject to estate tax, and, if left to your children, or a beneficiary other than charity, the deferred income may be subject to income tax as well.)

BENEFIT OF BEQUESTS

Both large and small bequests have benefited **Tsfat Education Fund** in its support of its mission. A gift to **Tsfat Education Fund** can be made without affecting your family's current financial security. The following are several advantages to supporting **Tsfat Education Fund** with a bequest:

- The principal and the income of your assets are available to you during your lifetime.
- Tax savings for your estate are maximized.
- Bequests for endowments carry in perpetuity a name designated by you or your executor.
- The ultimate use of the funds may be designated, for example, to relief efforts to the needy or educational services.

HOW TO SPECIFY YOUR BEQUEST

You may provide for **Tsfat Education Fund** projects in Tsfat by creating a new will, modifying your present will by a codicil, or naming **Tsfat Education Fund** in your revocable trust. Should you decide to bequeath money or property to **Tsfat Education Fund**, you may find the following examples of suggested language helpful.

Sample Bequest Language

Suggested working for a simple bequest for an outright gift:

*"I give, devise and bequeath the sum of \$_____ (or percentage of the residue of my estate) to **Tsfat Education Fund, Inc.**"* (you may wish a specific use, for example, to be used to provide educational services).

Suggested wording for a simple bequest to establish an endowment:

*“I give, devise and bequeath the sum of \$ _____ (or percentage of the residue of my estate) to **Tsfat Education Fund, Inc.** to be held as an endowment fund in the name of _____ for the purpose of _____.”*

If you designate your bequest or endowment for a specific purpose, we request that you include the following provision to ensure that your gift will continue to provide for **Tsfat Education Fund**'s needs:

*“If unforeseen circumstance arise which make the purpose no longer feasible, then distributions from this endowment fund shall be used by **Tsfat Education Fund** for other purposes which match as closely as possible to the purpose expressed in this Will.”*

ENDOWMENT OPPORTUNITIES

Endowed funds may be named in honor of the donor or a designee of the donor, and the name will be perpetuated with continued distributions from the fund for the designated purpose.

The annual distributions from an endowment fund can be used to provide for continued annual contributions to **Tsfat Education Fund** for support of a particular program or project in Tsfat. The donor or designee will receive periodic program and financial reports on the status of the fund. **Tsfat Education Fund** endowed funds are invested in a diversified portfolio and supervised by **Tsfat Education Fund**'s Investment Committee.



TSFAT EDUCATION FUND

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