



## Benefits of Gifts of Retirement Assets

Making charitable bequests with assets held in retirement plans is an easy, tax efficient way to leave a legacy to Boys & Girls Clubs of San Francisco.

Designating retirement assets for charitable purposes now allows you to work with the Boys & Girls Clubs of San Francisco to craft the type of legacy you would like to leave. Because the gift is free from both estate and income taxes 100% of the value can be used to support BGCSF. There are many different ways to develop a legacy; supporting an innovative new program about which you are passionate, endowing a scholarship fund to send kids to Camp Mendocino, or making a gift to support ongoing operations. The team at BGCSF would be happy to work with you to develop a plan.

### **Tax Benefits**

Gifts of assets held in retirement plans: 401ks, Keogh plans, Traditional IRA's (not Roth) to charity are an efficient way to leave a legacy to BGCSF and avoid the deferred taxes imbedded in retirement plans.

When heirs inherit retirement plan assets the deferred taxes imbedded in the investments are passed along too. Unlike assets held outright, retirement plan investments do not receive a basis step-up upon the owners passing.

If your assets are subject to estate taxes, retirement plan assets are valued at market value for estate tax purposes, ignoring the imbedded tax obligation carried by plan assets. Gifts to charity from retirement plan are deducted from your estate prior to valuation for estate tax purposes. A gift from your retirement plan directly to charity passes to the organization tax free.

### **Easy to Execute**

Gifts can be easily executed by changing your retirement plan Beneficiary Designation Form. Your Trust and Estate attorney need not be involved. All that is required is submitting an updated Beneficiary Designation Form to the manager of the relevant retirement fund. Often forms can be downloaded from the managers' website.

### **Not an "all or nothing gift"**

All or a portion of retirement plan assets can be designated for one or more charities. Gifts can be made as a percentage of total assets or a fixed dollar amount. By designating a percentage of assets to be gifted to charity, the value of the gift fluctuates with the market value of the underlying assets. Designations of retirement assets are revocable gifts. You can change your mind at any time.

### **No reduction in current wealth**

Because this is a gift made from your estate there is no reduction in current wealth. Retirement plan assets are not reduced until you have passed.