



Giving To WFHB Through Your Estate Plan

Whether your estate is simple or complex, there may be a tax-advantaged gift plan that is just right for you.

Wills and Trusts

You may provide for WFHB through your estate plan by naming WFHB in your will or trust. You may designate a specific dollar amount, a percentage of the estate, or a specific asset. Giving through your will or trust enables you to specify the purpose of your gift, add to a fund you already have established, and reduce your estate taxes by generating a charitable estate tax deduction.

Trusts aren't just for the wealthy. Trusts are legal mechanisms that let you put conditions on how and when your assets will be distributed upon your death. They also allow you to reduce your estate and gift taxes, and distribute assets to your heirs without the cost, delay, and publicity of probate court.

Here are some examples of language you can use:

PERCENTAGE: 'I give, devise and bequeath to Bloomington Community Radio, dba WFHB Radio, a non-profit organization of the state of Indiana, _____% of my estate'

SPECIFIC: 'I give, devise and bequeath to Bloomington Community Radio, dba WFHB Radio, a non-profit organization of the state of Indiana, (1) the sum of \$ _____
(2) _____ shares of stock in _____ Company (3) my real property commonly known as _____.'

RESIDUAL: 'I give, devise and bequeath to Bloomington Community Radio, dba WFHB Radio, a non-profit organization of the state of Indiana, all the residue of my estate, including real and personal property.'

CONTINGENT: 'In the event of the death of any of the beneficiaries, I give, devise and bequeath to Bloomington Community Radio, dba WFHB Radio, a non-profit organization of the state of Indiana, (percentage, specific, or residual language as above).

Beneficiary Designations

Naming WFHB as a beneficiary of your retirement plan, life insurance policy, or bank or brokerage account is a simple, revocable gift wherein you retain the right to change or amend the beneficiary designation. You may designate WFHB as beneficiary by completing a Change



of Beneficiary form.

Giving these assets to WFHB is an excellent tax-planning strategy because distributions to WFHB are not subject to tax. Distributions made through beneficiary designations are not subject to probate.

Life Insurance

Life insurance can be a very flexible and effective means to support WFHB. There are several ways to make a gift of life insurance:

Revocable Beneficiary Designation

You can name WFHB as a partial or full beneficiary of a life insurance policy. You will retain full control of the policy during your lifetime, and WFHB will receive the insurance proceeds at your death.

Your estate will receive a charitable estate tax deduction for the gift provided to WFHB upon your death.

Gift a "Paid-Up" Life Insurance Policy

You may transfer ownership of a paid-up life insurance policy (one on which you no longer are required to make premium payments) as an irrevocable gift to WFHB. If wished, you will be able to receive a charitable income tax deduction.

Payable on Death Designations

Bank and Brokerage Accounts

In many cases, it is possible to designate WFHB as beneficiary on your bank accounts and other financial investments. By completing a Payable on Death or Transfer on Death designation with your financial institution(s), you retain the right to change the beneficiary on the accounts as long as you own them. After your death, the funds for the designated accounts are not subject to estate taxes and will pass outside of probate and transfer directly to WFHB. Because each financial institution may have its own guidelines, it is important to verify specific procedures with your financial institution.

Qualified Retirement Plans (QRP)

Giftting a distribution through your qualified retirement plan (QRP) at your death is one of the most tax-efficient ways to give. Your QRP, such as an IRA, 401(k), or 403(b) may be your largest asset, one that has grown appreciably through the years. You may want to leave these funds to your family or other heirs after your death; however, distributions from retirement plans given to individuals other than your spouse may be subject to both income and estate taxes. This loss to income and estate taxes can often exceed 50 percent or more.



You can avoid or reduce this loss to taxes by naming WFHB as a death beneficiary of the QRP. QRP distributions received by WFHB are not subject to income or estate tax. You may also designate the assets of a QRP in whole or in part to a charitable remainder trust or charitable gift annuity with income paid to beneficiaries such as family and friends. This will reduce tax losses due to income and estate taxes, provide income for life or a specified number of years, and provide a significant gift to WFHB when the trust ends.

Testamentary Life Income Plans

Establishing a Life Income Plan through Your Estate

You may want to make a significant gift to WFHB through your estate plan, but may have concerns about providing for survivors. Some friends have funded a life income plan, such as a charitable remainder trust or gift annuity at their death. You may include language in your estate plan that directs a gift to WFHB by establishing a plan that will make payments to named beneficiaries such as your spouse, family members or friends. When the payments end, the remaining assets will be received by WFHB. A portion of your gift will generate a charitable estate tax deduction.

WFHB can provide this general information regarding opportunities to leave a legacy gift. Please consult your own legal and estate counsel when determining your planned gift. WFHB is an Indiana non-profit 501(c)(3) organization and our Federal Tax ID is #31-0935271. All inquiries are confidential.