

Bequest: Gifts From Your Will or Living Trust

A bequest is one of the easiest gifts you can make to significantly impact the Foundation’s work. Your estate planning attorney can include a provision in your will or living trust specifying a gift to family, friends, or WHC Foundation as part of your estate plan.



- 4. Even if you stipulate that assets should go to family members or friends first, it is important to provide for a contingent beneficiary, such as WHC Foundation, should your named individual beneficiaries not survive you.

Benefits to the Donor

- 1. Your assets remain in your control during your lifetime.
- 2. Your bequest is revocable; you can modify your bequest as circumstances change during your lifetime.
- 3. Your bequest is not subject to federal estate or capital gains taxes.

Example

When John and Rhonda got married, they put together a will to protect their assets. As residents of Waverly, they saw great value in supporting WHC to ensure our community had access to high quality healthcare long into the future, so they made a \$75,000 bequest to us in their will. As their family grew to include children, they decided to revise their gift to ensure their children’s financial security. They met with their attorney and revised the bequest language so that their gift to WHC was now a percentage of their estate instead of a specific amount.

John and Rhonda now rest easy knowing when they die, their plans will provide for the people and charitable work they love.

How It Works

- 1. Include WHC Foundation as a beneficiary in your will or trust.
- 2. Make your bequest unrestricted or direct it to a specific purpose.
- 3. Indicate an amount, a percentage of your estate, or a portion of the balance of your estate remaining after all gifts have been made to your family.

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Leaving a Legacy

Gifts That Cost You Nothing During Your Lifetime



There are many ways to support Waverly Health Center's future that do not cost you anything during your lifetime.

WAVERLYHEALTH
— C E N T E R —
FOUNDATION

312 Ninth Street SW Waverly, Iowa 50677

Gifts Made Through Retirement Plans

Most people hold retirement savings in assets such as IRAs, 401(k)s, 403(b)s, and pensions. This is one of the best gifts to consider. You only need to name WHC Foundation as a beneficiary. No attorney involvement is necessary.



Example

Monica and Joseph treasure the financial help they’ve been able to give their children over the years. Now that their kids are grown, they changed their estate plan so it could work harder for the people and causes they love. The couple updated their will to leave \$75,000 to support our emergency department.

If Monica and Joseph had left the IRA to their children, approximately \$21,000* would have gone to pay federal income taxes – leaving only \$54,000 for their family. The couple is happy knowing they are making the most of their hard-earned money thanks to their updated estate plan.

**Assuming a 28% income tax bracket*

How It Works

1. Contact your retirement plan custodian to complete a beneficiary designation.
2. A portion or all of the balance in your plan(s) passes to WHC Foundation after your passing.

Benefits to the Donor

1. Avoid the heavy taxation your family will incur if your retirement savings are designated solely to your family as the beneficiaries.
2. Continue to take regular lifetime withdrawals.
3. Gift your family instead the assets that “step up” in basis at death, such as stock and real estate.

Testamentary Life Income Gifts

A testamentary life income gift is a trust that pays income to one or more beneficiaries upon your death for a fixed number of years, after which the remaining assets in the trust pass to WHC Foundation. It’s a good way to leave a gift to family members who may not wish to manage a large, lump-sum bequest.



Example

Rob wanted to make arrangements in his estate plan to benefit WHC and his three children. He directed his will to establish a \$200,000 charitable remainder trust at his death. He designated his children to receive an income from the trust for the next 10 years following his death. At the end of 10 years the remainder value of the trust passes to WHC Foundation. Rob was very gratified to know that he would be benefiting both his family and his favorite charity long after his death.

How It Works

1. You write a will or living trust directing a bequest to WHC Foundation
2. You provide that the bequest first creates a life income gift benefiting your designated beneficiaries (family).
3. After their income interest terminates at the end of the fixed numbers of years, the remaining balance passes to WHC Foundation.

Benefits to the Donor

1. You provide an inheritance for your family in an appropriate amount and timeline.
2. You give it twice-your bequest benefits both your family and WHC.
3. Your estate will be eligible to claim a charitable deduction for a portion of the amount of your bequest.
4. You may modify your bequest if your circumstances change prior to your death.

**This information is not intended as legal advice and we recommend you consult your legal or tax advisor to find a plan that best benefits you.*

Gifts of Life Insurance

A life insurance policy can name a spouse or child as a beneficiary. You can also name WHC Foundation as a beneficiary.



Example

When his two daughters were young, Randy bought a life insurance policy to provide for his family. Now that he’s 65, things have changed. “My daughters are both grown and doing well for themselves, and over the years, my wife and I have become fairly comfortable – she will no longer need the death benefit from my policy,” he said.

Maybe you once needed life insurance for your loved ones, but things have changed. You can use your life insurance policy to support your local health care facility. Not only will you make a substantial gift at a relatively low cost, but it is revocable at any time should you need to change your plans. You can designate WHC Foundation as the beneficiary for a percentage of your life insurance policy’s death benefit. You choose whatever percentage you desire.

How It Works

1. You name WHC Foundation as a beneficiary of an existing life insurance policy.
2. You may also transfer ownership of a life insurance policy to the Foundation using a form obtained from your insurance agent. You continue to make annual tax-deductible gifts to WHC Foundation to pay premiums to maintain the policy in effect, if necessary. An added benefit to this scenario is that you receive an immediate income tax deduction for the cash value in the policy and for any premium payments.

Benefits to the Donor

1. It is easy to do. You only need to request a beneficiary form from your insurance or retirement planning adviser.
2. You gain the satisfaction of making a significant gift to WHC without adversely affecting your cash flow.