

A Legacy of *Hope*



**HEARTSPRING
LEGACY GIVING**



Heartspring

Create

Your Legacy of Hope

Your legacy gift to Heartspring will ensure hope and opportunity are provided to children for generations to come. Through the 1934 Legacy Society, you can make a gift that will transform lives, costing you nothing during your lifetime. While the simplest way to support Heartspring is through cash gifts; legacy giving uses creative gifts of assets which can include stocks, bonds, property (real estate and personal property), wills, and insurance policies. Legacy gifts can provide you with charitable deductions and can offer additional tax savings as well.

What is a Legacy Gift?

Also referred to as planned gifts, legacy gifts are significant charitable gifts made during a donor's lifetime or at a later date as a part of financial or estate plans. Legacy gifts:

- Are easy to arrange. A simple paragraph added to your will or a designation on a life insurance policy is all it takes to designate funds to the charity or charities of your choice.
- Can be changed or revoked as needed.
- Allow you to be far more generous than you ever thought possible.
- Preserve your savings and cash flow during your lifetime.

Types of Legacy Gifts

- **Bequests by Will**
- **Retirement Plan Designations**
- **Cash or Cash Equivalents**
- **Tangible Personal Property**
- **Securities**
- **Real Estate**
- **Remainder Interests in Property**
- **Oil, Gas, and Mineral Interests**
- **Life Insurance Beneficiary Designations**
- **Life Insurance**
- **Charitable Remainder Trusts**
- **Charitable Lead Trusts**



**For questions or
more information,
contact:**



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Dr. Martin Palmer, founder of Heartspring

Legacy Gift Examples



Bequests by Will

A charitable bequest is simply a distribution from your estate to a charitable organization through your will. A will is a very important estate planning tool. It allows you to determine who will receive your property upon your death, as well as determine the amounts and proportions and under what circumstances. A charitable bequest is a very simple item to include. The federal estate tax charitable deduction is unlimited. All estate assets given to charity are fully deductible.

- Suggested wording for a Bequest by Will:
 - *“I hereby give, Heartspring, a not-for-profit Kansas charitable corporation, the sum of \$_____*

(or the following described property or securities) to be used in such a manner as its Board of Trustees deems best to carry out its work and effect its purposes.”

- **Specific bequests:** determine a specific dollar amount or asset that you would like to leave to Heartspring.
- **Residual bequests:** after you have provided for your loved ones, name Heartspring to receive a percentage or all of your residuary estate.
- **Contingent bequest:** name Heartspring as a beneficiary only in the event of the death of other beneficiaries, such as family members or friends.

Life Insurance Gifts

Gift of an existing life insurance policy:

You may have reached a point in your life when you no longer need the security and protection of an existing life insurance policy. If you irrevocably name Heartspring as both owner and beneficiary of your life insurance policy, you can realize substantial tax relief in the year you make your gift.

Gift of a new life insurance policy: If you purchase a new insurance policy and name Heartspring the owner and irrevocable beneficiary, you will receive a charitable deduction for the unexpired premium in the year of the gift. You also can deduct all future premiums as a charitable gift.

Gift of a portion of a life insurance policy: You may also name Heartspring as the beneficiary for part of the proceeds of a policy that you continue to own and control. You do not receive a federal income tax deduction now, but you may reduce any federal estate taxes because the proceeds will be a charitable gift.

Retirement Plan Gifts

Many Americans hold a significant percentage of their wealth in their retirement plan accounts, such as 401(k) plans, Individual Retirement Accounts (IRAs), or 403(b)s. The assets in these accounts grow tax-free over time but have significant built-in tax liability.

A percentage of the assets in your retirement plan will be lost to tax if the account is left to someone other than a spouse upon your death. Designating these assets for charitable giving can be advantageous for tax purposes.

“The employees of Heartspring change people’s lives for the better. Not only the children that come to Heartspring for services, but their families as well. Ann and I have been richly blessed in our lives in many ways, and we feel compelled to bless others as we are able. What better way to do that than to enable Heartspring to serve more children with planned giving?”

Monte Shaw
Heartspring Board of Directors

Is the Charitable IRA Rollover the right choice for you?

The Protecting Americans from Tax Hikes (PATH) Act of 2015, which was passed by Congress and signed into law by the president on December 18, 2015, made permanent what is known as the IRA charitable rollover. If you are 70 ½ or older, this is a great option for you.

Charitably minded taxpayers have embraced the IRA charitable rollover as an opportunity to transfer up to \$100,000 each year to the charity or charities of their choice without it being treated as a taxable distribution. Charitable rollovers count as a part of your required minimum distribution, and they aren't taxable income to you.

Here are the requirements and restrictions for making an IRA charitable rollover gift:

- The donor must be 70 ½ or older.
- The gift must be made directly from the IRA to an eligible charitable organization.
- Gifts to all charities combined cannot exceed a total of \$100,000 per taxpayer per year.
- The gifts must be outright, and no material benefits can be received in



return for the gifts. Thus a transfer for a gift annuity, charitable remainder trust, or pooled income fund is not permitted.

- Gifts cannot be made to a donor advised fund, supporting organization, or private foundation.
- The gift is not included in taxable income, and no charitable deduction is allowed.
- The gift can be made only from an IRA. Gifts from 401(k), 403(b), and 457 plans are not permitted.

The qualified distribution described above applies to a traditional IRA. Distributions from employer-sponsored retirement plans, including simple IRA plans and simplified employee pension (SEP) plans, are not eligible for the tax-free rollover.

If you want to make a qualifying transfer, contact your IRA administrator and instruct that person to transfer funds directly to the charity or charities you designate. You can also contact our office, and we will do our best to answer your questions and provide instructions for completing your gift.

Next Steps

Visit Heartspring.org/LegacyGiving

Certain types of legacy gifts require legal counsel. However, not all gifts require the insight of an attorney, they can be done in a matter of minutes via your HR department or with the assistance of a development officer.

Contact Mandy Fleming to further discuss plans for your future charitable giving.

Choosing an Attorney

The majority of American adults lack a will, often times leaving their assets and their families at risk. We advise you, at any age, to work with a trusted attorney to establish your will and final testament.

Have you already included Heartspring in your estate plans?

We want to celebrate your dedication to creating a legacy of hope. Please notify a member of the Heartspring Development Team so that we can properly document your gift and appropriately include you in the 1934 Legacy Society. Thank you!



1934 Legacy Society

Heartspring's rich history and legacy of hope have been made possible by generations of individuals who have created perpetual support to our mission through their estate plans. The generosity entrusted to Heartspring by 1934 Legacy Society members ensures we are able to continue to impact the lives of children with special needs for decades to come. We are deeply grateful for each member's commitment to our future and to the successes of the children we serve.



Heartspring

[Heartspring.org](https://www.heartspring.org)

Disclaimer: The information above is intended to assist you in your tax, estate, and charitable planning. It is not legal or tax advice and should not be relied upon as such. We encourage you to consult with your legal and tax advisers for more information about the consequences of your gift.