

9 Ways to Leave Your Legacy



MOUNTAIN STATES
LEGAL FOUNDATION

*Legacy Society
Planned Giving*



Dear MSLF Supporter,

I am delighted that you are thinking about joining the MSLF Legacy Society. I have put together some suggestions for you to consider – ways to remember loved ones, to save taxes and to leave a gift to MSLF!

However, this message is not intended as legal or financial advice. Please take these suggestions to your attorney and your financial planner. With their help, there are a number of ways to leave your legacy.



Sincerely,

William Perry Pendley
President and
Chief Legal Officer
303-292-2021

Wills

Gifts that are made to a 501 (c) (3) tax exempt charitable organization like MSLF reduce estate taxes. Leaving a legacy gift to MSLF in your will requires special testamentary language; MSLF suggests you take the following language to your attorney:

“I [name], of [city, state, ZIP], give devise and bequeath to Mountain States Legal Foundation (tax identification number 84-0736725), 2596 South Lewis Way, Lakewood, Colorado 80227, [written dollar amount or percentage of the estate or description of the property] to continue its mission to protect and preserve individual liberty, the right to own and use property, limited and ethical government and the free enterprise system.”

If you do not have a will, this may be a good time to consider writing one!

If you already have a will, you can simply add an amendment to include your legacy gift to MSLF.



IRAs – Good News!

President Bush signed the Emergency Economic Stabilization Act on October 3, 2008 permitting IRA charitable rollovers in 2008 and 2009. If you are 70 ½ or older, you can give up to \$100,000 from your traditional or Roth IRA directly to Mountain States Legal Foundation! The gift will not be included in your federal taxable income. But it will count toward your mandatory withdrawal amount. Consult your personal financial advisor for details.

To make a gift from your IRA:

- 1. Contact your IRA custodian immediately. It may take 2 – 3 weeks to make a distribution.**
- 2. Tell your IRA custodian to make a gift to MSLF. MSLF's tax identification number is 84-0736725**



Stock Gift

Giving stock to MSLF will reduce the amount of your taxable income. You will avoid capital gains taxes on your appreciated stock.

If you choose to transfer stock to MSLF, contact your broker and electronically transfer the stock from your account to our account at Charles Schwab & Co. The stock, once received by MSLF, will be sold immediately.

- 1. Call MSLF at 303-292-2021. Tell either Janice Alvarado or William "Perry" Pendley that you would like to make a gift of stock; without prior notification, there will be no way to identify you! MSLF's tax identification number is 84-0736725.**
- 2. Provide your name, your phone number, the name of the stock you are giving and the number of shares.**
- 3. Call your broker and give him the following information:**

**MSLF contact at Schwab –
Richard Wulforst,
VP Financial Consultant,
303-260-5908 or 303-260-5917,
303-260-5911 fax,
518 17th Street, Suite 100,
Denver, Colorado 80202.
MSLF Account: #7080-3528;
DTC 0164, Code 40**

Cash Gift

Giving cash to MSLF will reduce the amount of your taxable income, and your federal tax burden.

If you make a cash gift, you may deduct your contribution to the extent that it does not exceed 50% of your adjusted gross income. Your adjusted gross income includes wages, interest income, dividend income, income from certain retirement accounts, capital gains, and certain other kinds of income.

In-Kind Gift

MSLF accepts gifts of real estate, remainder interests in property or oil, gas and mineral interests with Board approval.

You are entitled to a charitable income tax deduction for in-kind gifts, but it is your responsibility to assess the value of your gift, to obtain a written qualified appraisal for gifts valued over \$5000, and to obtain an environmental assessment if necessary. Contact your financial advisor or attorney to determine the amount you may deduct.



*Charitable Gift Annuity

A charitable gift annuity is a contract between you and MSLF; you make one gift up front and receive an immediate tax deduction. MSLF then sends you fixed payments for life. A portion of your quarterly payment is tax free. At the end of your life, MSLF receives the remainder of your investment as a charitable gift.

The amount of your fixed annuity payment varies according to your age and the amount of your gift. MSLF requires that your gift be at least \$10,000 and that you be 60 years of age or older.

An immediate gift annuity makes payments on a quarterly basis immediately following the gift to establish the annuity.

*Not available in all states.



Charitable Remainder Trust

A charitable remainder trust accomplishes two separate goals: providing income for loved ones and making a gift to MSLF. And it offers tax savings!

Working with your attorney, you will transfer property irrevocably to a trust. Then, you specify your payout rate, your beneficiaries to receive income, the trust term, and name MSLF (tax identification number 84-0736725) to receive the remainder of the trust assets at the end of the term.

There are two types of charitable remainder trusts:

1. *A charitable remainder annuity trust* **pays fixed income for the life of the trust based on the initial value of the trust. No additions may be made to this trust after it is established.**
2. *A charitable remainder unitrust* **pays a fixed percentage of the value of the trust, as re-valued annually. Payments vary because the value of the trust changes year to year. Additions may be made to this trust after it is established.**

Your trust assets grow tax free! You are entitled to a charitable income tax deduction for the year you establish your charitable remainder trust.



Charitable Lead Trust

If you have little need for current income, wish to keep the assets in your family or intend to reduce your taxable estate and potential gift taxes, ask your attorney about a charitable lead trust.

A charitable lead trust provides current gifts to MSLF and then passes on the remaining assets in the trust (including any growth it has realized) back to loved ones or to you. And it offers tax savings! There are no minimum payout requirements and no specific limitations on the trust's term.

There are two types of charitable lead trusts:

- 1. A *non-grantor lead trust* makes gifts to MSLF for a period of time with the remainder then being passed on to your children, grandchildren, or other loved ones. Unlike a charitable remainder trust, a non-grantor charitable lead trust does not entitle you to a charitable income tax deduction. Income earned is taxable to the trust with tax deductions earned for payments to MSLF.**
- 2. A *grantor lead trust* makes gifts to MSLF for a period of time, with the principal then being passed back to you when the term of the trust ends. Like a charitable remainder trust, a grantor charitable lead trust entitles you to a charitable income tax deduction for the year you establish the trust.**



Life Insurance Policy

You can use your life insurance policy to fund your legacy to MSLF!

- 1. You can take your existing, fully paid, life insurance policy and give the policy to MSLF.**
- 2. You can take your existing life insurance policy that is not fully paid, assign the policy to MSLF at its current value, or if you wish, keep the policy in force but make annual payments to MSLF that cover the cost of the premiums.**
- 3. You can name MSLF as a primary or secondary beneficiary.**
- 4. You can also buy a new life insurance policy and name MSLF the owner and beneficiary of that policy.**

Please contact your tax advisor and your insurance agent for information on the charitable income tax deductions and estate tax deductions for which you may qualify.





MOUNTAIN
STATES
LEGAL
FOUNDATION

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MSLF is a nonprofit, public interest law firm.

It is an Internal Revenue Code 501 (c) (3)

entity incorporated in the State of Colorado.

Tax ID #84-0736725