

A GIFT THAT ENDURES

CREATE A
Jewish Legacy

A guide to charitable
gift planning



THE BEAUTY of a Jewish legacy is that it's yours to create. You can make a planned gift for any program or institution that's close to your heart. You might already make contributions to these organizations, but when you create a **legacy gift**, you're making a difference for generations to come.



How do you create a Jewish legacy?

A good place to start the conversation is with your Federation professional, who can provide initial guidance, as well as access to professionals who have specific tax and estate planning expertise. You will receive the assistance you need in structuring your gift to be as impactful and beneficial as possible.

HOW DO I BEGIN?

First, reflect on your priorities. What important Jewish values do you want to help sustain? Perhaps you want to provide money to assist the elderly, alleviate poverty, or support Jewish education, locally or globally. You may want to endow an Annual Campaign gift, or fund a particular program to enable it to continue into the future. You can choose to specifically designate funds or leave an unrestricted gift to meet needs as they arise.

WHEN DO I BEGIN?

Some people start to plan their legacies when they have a first child, or when they receive an inheritance. There is never a bad time to think about how you wish to be remembered.

ARE LEGACY GIFTS RIGHT FOR ME?

No matter your income or estate size, your gift is valuable and important. You do not have to be wealthy to leave a legacy. Ask yourself: will your beneficiaries miss 5% of your estate? Could you leave that 5% to the Jewish community? These funds could be essential in keeping vital programs alive for the benefit of future generations.

CAN FEDERATION PROFESSIONALS WORK WITH MY FINANCIAL ADVISORS?

We can work with you and your financial advisors to plan your gift in a way that furthers your unique goals. We are available to meet and consult with your advisors throughout the process.



HOW DO I STRUCTURE MY GIFT?

There are a number of ways to create a Jewish legacy that will benefit your family and the organizations that matter most to you. Several of these options are detailed below. Your Federation professional is available to guide you and provide further information.

GIFTS OF CASH

If you itemize, you can lower your yearly income taxes simply by mailing a check. There is no easier way to garner a charitable deduction and support the Jewish community at the same time.

Gifts of cash are fully tax deductible – up to a maximum of 50% of your adjusted gross income. For example, if your adjusted gross income for the current year is \$100,000, up to \$50,000 of charitable gifts may be deducted. Any excess can generally be carried forward over as many as five subsequent years.

If your company or firm has a matching gift program, please let us know and we will be happy to follow up.

LIFE INCOME GIFTS

A life income gift provides annual income for a term of years or for life to you and/or a beneficiary you designate. One of several life income gifts may be appropriate for you if you own stocks, bonds, or certificates of deposit that are paying little in interest or dividends. If you have already considered a provision in your will or trust, a life income gift often allows you to accomplish your goals during your lifetime, earn a stream of income, and receive tax advantages.

GIFTS OF STOCK

Making a gift using appreciated stock generally offers two kinds of tax savings. First, because the Jewish Federation is a charitable organization, making a stock gift allows you to avoid paying any capital gains tax on the increase in the value of the stock that is transferred. Second, you may receive an income tax charitable deduction for the full fair market value of the stock at the time of the gift.

Make sure you have owned the stock for more than one year to qualify for these significant tax advantages. A stock broker or trust officer can arrange to transfer a gift of stock from your account to the Jewish Federation.

Gifts of appreciated stock are fully deductible – up to a maximum of 30% of your adjusted gross income. And, as with a gift of cash, any excess can generally be carried forward over as many as five subsequent years.

Please note, if you choose to gift mutual fund shares to the Jewish Federation, you will receive the same tax advantages as if you donated appreciated stock. However, because of the complexities involved in the transfer of mutual fund shares, we encourage you to begin the transfer process well in advance of any deadline (like year-end).

DONOR ADVISED FUNDS

Do you want to support numerous organizations this year? Is your advisor suggesting that you combine your contributions this year but you don't want to disappoint your favorite charities next year?

You can solve these dilemmas by establishing a donor advised fund with the Jewish Federation. You can create a donor advised fund by making an irrevocable gift of cash, securities, or other property. You can receive an immediate income tax deduction for the amount of the initial gift and on each subsequent gift to the fund.

The fund is invested and generally no tax is paid on the income generated. You may make charitable grant

recommendations to qualified public charities from both income and principal. If you'd like, you may also include your spouse or children as advisors to a donor advised fund.

Additionally, this type of fund may be established with a minimum gift of only \$100. Additional contributions may be made at any time and distributions from the fund may be recommended at any time.

CHARITABLE GIFT ANNUITY

A charitable gift annuity is an agreement to contribute a specified annuity payment for the lifetime of the donor or donor's designee. A portion of the annuity payment may be tax-free. The combination of a fixed payment of partially tax-free income and the initial charitable deduction can make this option quite attractive. In the year the annuity is created, there may be an immediate tax deduction.

CHARITABLE REMAINDER TRUST

Created with a gift of cash, securities, or other property to a trust, a charitable remainder trust pays a donor or donor's designee an income for a stated period. The principal (the remainder) goes to the Jewish Federation at the end of the trust's term of years or upon the beneficiary's death. In the year the trust is created, there may be an immediate income tax deduction.

LIFE INSURANCE POLICIES AND RETIREMENT PLANS

You can make the Jewish Federation the owner and beneficiary of an insurance policy or a beneficiary of your retirement plan at your death. Simply ask your life insurance agent or plan administrator for the appropriate forms. Retirement assets are the most heavily taxed asset at death, and therefore make an advantageous gift choice. As an additional benefit, your insurance premiums are also tax deductible.

*“I did not find
the world desolate when I entered it.
And as my parents planted for me
before I was born, so do I plant
for those who will
come after me.” -Talmud*



YEAR-END GIFTS

As you review your year-end tax planning, we hope you will consider making good use of the income tax charitable deduction. Your year-end gift to the Jewish Federation may significantly reduce your income taxes, while providing meaningful support for the people who benefit from the Federation and its programs.

BEQUESTS

Making a gift through your estate plan can be an easy way to give. The Jewish Federation can be named as a beneficiary in a will or trust, often by simple amendment, and without the need to redraft the will or trust.

ENDOWMENTS

You can specify how you would like the Jewish Federation to allocate your estate gift. For instance, you could direct that your gift be used to augment an endowment fund, create a named endowment fund in a specific field of interest, or establish a PACE or LOJE endowment fund to perpetuate your contribution to the Annual Campaign.

Create A Jewish Legacy is an initiative of The Jewish Federations of North America (JFNA) in partnership with schools, synagogues, and service agencies to build a strong, vibrant community. It shows families and individuals how to support Jewish causes they care about – now and into the future.



JUDY AND MICHAEL

Judy and Michael are longtime supporters of the Jewish community, both locally and globally. They believe it is important to support and encourage the Federation mission now and into the future.

We believe that the Jewish Federations are truly helping to nurture and sustain the fabric of Jewish life for us and for future generations. It is important for us to partner with them to make a difference. For that reason, we have consistently made gifts to the Annual Campaign over the years.

But at this point, we want to do more than just to make annual gifts. We have been careful over the years and have accumulated some resources. We plan to be generous with family, but we also have the ability to be generous with our tzedakah.

After talking it over with our Federation professional and our own advisors, we decided to leave a testamentary gift to Federation. Our attorney worked with the Planned Giving professionals at Federation and included a bequest in our will. We are delighted that our gift will continue to help the Jewish people into future generations.

**FOR MORE INFORMATION OR TO
CREATE YOUR JEWISH LEGACY,
PLEASE CONTACT:**

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Each of the designations described in this brochure enables the Jewish Federation to provide support to Jewish people in our communities and around the world.

All inquiries are confidential. This material is presented for informative purposes only and should not be construed as legal, tax, or financial advice. When considering gift planning strategies and year-end gift opportunities, you should always consult with your own legal, tax, or financial advisors.

For more information about the work of the Jewish Federations of North America and the Network, please visit:
www.jewishfederations.org
www.jewishfederations.org/Network



The Jewish Federations
OF NORTH AMERICA

The Network
of Independent
Communities