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| **The Herzl Initiative: Glossary of Terms** | | |
| |  |  |  | | --- | --- | --- | | **Annuity** An investment that provides a specified income, payable at stated intervals, for a fixed or contingent period, often for the lifetime of the recipient.   **Bequest** A gift by will of personal property; a legacy. *I give (cash of $\_\_\_\_\_\_\_\_\_ or \_\_\_% of my estate or specified property) to (legal name of organization and tax ID number) to be used for (designation).*  **Capital Assets** For federal income-tax purposes, the property held by the tax payer (e.g. house, car, stocks, bonds). However, property that the tax payer creates, such as business inventory, is considered ordinary-income property, not capital-gain property.   **Capital Gain** The gain (or profit) realized on the sale or exchange of a capital asset.   **Charitable Remainder Trust** A trust that pays to one or more individuals, at least one of which is not a charity, for a specified length of time then leaves the remainder of the trust to a designated charity.   **Charitable Gift Annuity** A contract between an organization and a donor. In exchange for an irrevocable gift of cash or securities, the Foundation agrees to pay the donor/or someone of the donors choosing a fixed amount for life. After the donor’s lifetime, the remaining principal in annuity establishes an endowment fund. | grey_pixel | **IRA (Individual Retirement Account)—Traditional** An investment account in which a person can set aside income up to a specified amount each year and usually deduct the contributions from taxable income, with the contributions and interest being tax-deferred until retirement.   **Life Insurance** Insurance that guarantees a specific sum of money to a designated beneficiary upon the death of the insured or to the insured if he or she lives beyond a certain age.   **Pension Plan** An arrangement for paying death, disability, or retirement benefits to employees. Payments into the plan are ordinarily a tax-deductible expense for the firm, but any contribution by employees may or may not be deductible on personal tax returns. Likewise, retirement benefits paid to employees will be wholly or partially taxable.   **Pooled Income Fund** A charitable trust in which gifts of cash or marketable securities are commingled for investment purposes with those of other donors. The donor and/or any person designated by the donor is paid his or her pro rata share of all the income earned annually by the trust. After the death of the income beneficiary or beneficiaries, the donor’s gift is removed from the pool and goes to the charity that sponsors the trust. | |  |  |