

THE LIFE CIRCLE

Bequest Gifts of Individual Retirement Accounts

Bequest gifts are the simplest type of planned giving option, and bequest gifts to **IN THE LIFE** of Individual Retirement Accounts (IRAs) can be extremely advantageous to a donor's estate and subsequently to the donor's heirs. Bequest gifts are best for all friends of **IN THE LIFE** who wish to support our mission of producing media that produces change for the LGBT community.

Individual Retirement Accounts — Tax-favored retirement plans such as 401(k) and 403(b) allow individuals to put money aside on a tax-free basis for retirement. When these monies become part of a donor's estate, they can be subject to extraordinary, multiple-tax liability. The monies in IRAs are taxed as part of your estate, and are taxed on their earnings as well. *At the top of the federal and state tax scale, the rate of taxation on IRA monies can be a staggering 50%.* Moreover, transferred IRA's can be lengthy and complicated matters for the heirs to administer. A contribution from one's IRA to charity makes sense because it is removed as a non-probate asset and enables the estate a deduction for the entire amount. By naming **IN THE LIFE** or any charity as your beneficiary means every dollar in your IRA can be kept intact. Any other designation will expose your beneficiaries to some kind of Federal, State and City tax resulting in a reduction of the original value of your IRA.

Beneficiaries — One way to lower your estate tax and estate income tax is to make an outright bequest of remaining IRA monies to **IN THE LIFE**. A charitable bequest can be made simply by naming **In the Life Media, Inc.** as the designated beneficiary of an existing IRA account. *Depending on the total assets of your estate, giving to **IN THE LIFE** from your IRA can actually result in more assets being received by your heirs than if charitable gifts were made from other funds in your estate.*

Contributed Assets — In addition to bequests of IRA monies, a tax-free bequest can also be made for other assets such as savings bonds, unpaid bonus and rental income and lottery winnings.

Tax Advantages

Federal Income Tax: Charitable IRA designation is free from all Federal income tax.

Federal Estate Tax: Charitable IRA designation is free from all Federal estate tax and counts as a charitable gift deduction for the estate. As a non-probate asset, retirement plan gifts will be received sooner and with possible less "shrinkage."

To designate **IN THE LIFE** as a beneficiary, please contact your IRA administrator and ask for a beneficiary designation form. You will need **IN THE LIFE's** tax identification number which is 13-3770390.