



## Legacy Giving at Congregation Beth Am Frequently Asked Questions

**Q. What is Legacy Giving?**

A. Legacy giving (also known as planned or deferred giving) usually describes a wide variety of giving vehicles that allow you to support Congregation Beth Am and other charitable organizations during your lifetime and/or after your death, while meeting your current income needs and providing for your heirs. Legacy gifts include simple bequests, retirement fund or insurance policy beneficiary designations, charitable remainder or lead trusts, and non-cash gifts such as real estate. Depending on the value of your estate and the laws in place the year of your death, a bequest or other legacy gift may reduce your estate's taxable assessment for your heirs. Some giving methods are more advantageous than others to achieve your personal financial and philanthropic objectives, so it is important to consult your attorney or tax advisor.

**Q. How does a legacy gift tie into estate planning?**

A. Legacy giving is typically done in conjunction with estate planning, and is a viable option for donors of all income levels. The donor typically consults with his/her attorney, financial advisor, and/or accountant to arrive at the planned gift that works to maximize advantage.

**Q. How can a legacy gift help Beth Am and me at the same time?**

A. Legacy giving is attractive for many reasons. It may allow you to make larger gifts than you otherwise could consider out of your current assets. Depending on how a gift is set up, it may also give you a stream of income for life or reduce your capital gains, income, or estate taxes. Legacy gifts often appeal to people who would like to make a significant gift but feel that they need to retain control of their assets or receive income during their lifetimes.

**Q. Why should I give to Congregation Beth Am?**

A. Congregation Beth Am plays an integral role in Jewish life on the Peninsula and most likely has played an important role in your personal life and your family's special moments. Beth Am serves its members in ways that only a synagogue can, from birth to death. Here at Beth Am, we are committed to providing outstanding Jewish education, worship and spirituality, and meaningful and innovative programs and services for people of all ages. Ensuring the financial stability of the congregation will help guarantee that Beth Am will be the focal point of local Jewish life for generations to come.

**Q. How do I make a bequest?**

A. A bequest to Congregation Beth Am made through your will or codicil document, trust or trust amendment should specify Congregation Beth Am, 26790 Arastradero Road, Los Altos Hills, CA 94022. Director of Development Mandy Eisner can assist you. She can be reached at (650) 493-4661 or [meisner@betham.org](mailto:meisner@betham.org).

**Q. What is suggested bequest language?**

A. I give to the Fund for the Future Endowment of Congregation Beth Am, 26790 Arastradero Road, Los Altos Hills, CA 94022, the sum of \$ \_\_\_\_\_ [or \_\_\_\_\_% of] [or describe the property].

**Q. What is the easiest way to make a legacy gift to Beth Am?**

A. Naming Beth Am as a full or partial beneficiary of your IRA or other retirement fund is an easy, no-cost way to make a gift that supports Beth Am while providing substantial tax advantages to your heirs. This is because funds in a retirement account MAY be subject to both estate tax and income tax, meaning 60-70% of your funds could end up going to Uncle Sam (depending on value of your estate and the estate tax exemption in the year of death). Giving funds from the account directly to Beth Am bypasses any taxation, making it more sensible to leave other assets with smaller tax burdens to your heirs. To name a charitable beneficiary to your retirement account, contact your HR professional or the holder of the account. Usually it's a simple form to complete; in some cases a separate notarized document is needed, for which we have provided a template on the Beth Am website's Legacy Giving page.

**Q. What is a charitable remainder trust (CRT)?**

A. A charitable remainder trust is a sophisticated tax-approved trust that provides a gift in an irrevocable trust to pay a percentage annual return to the donor and commonly, the donor's spouse, for life. It can be for a designated number of years, not to exceed twenty, or for the lifetime of the donors. Charitable remainder trusts are complex and require careful analysis and discussion with the donor's legal advisor. A common asset used to fund a charitable remainder trust is appreciated real estate where the donor desires to contribute the real estate without recognizing the capital gain. Other appreciated assets are also advantageous. Charitable remainder trusts are tax exempt entities and the gain is not recognized by the trust at the time of sale. That gain is taxable over the term of the receipts by the donor through a formula established by the Internal Revenue Service code.

**Q. What is a charitable lead trust (CLT) and how does it differ from a charitable remainder trust?**

A. Charitable lead trusts are the reverse of the CRT in that the charity receives the benefits during the duration of the trust, and then pays the principal remaining at the end of the trust term to the donors' designated recipient, usually a family member. Its tax consequences are very different from the tax-exempt charitable remainder trust and must be carefully structured to meet with the objectives of the donor. Low interest rates make CLTs a very interesting vehicle for charitable and estate planning.

**Q. What is a life settlement arrangement?**

A. Many people don't realize the significance of the asset that is in their old life insurance policies. A policy may no longer serve the need it was intended for. Life settlement is the practice of selling life insurance policies, including term policies, for a fair market value (many times well in excess of the cash value of the policy) as a means to generate cash for themselves (the insured) and possibly, create a tax deductible donation for Beth Am.

**Q. If I make a legacy gift, where do my dollars go?**

A. While legacy gifts may be designated to most named funds or specific programs of the congregation, we encourage our members to designate bequests and other legacy gifts to the Fund for the Future Endowment. This will guarantee that your gift continues to support our community in perpetuity, while allowing future leadership the funds that are the most flexible for congregational programs well into the future. Unless otherwise designated, all gifts of \$5,000 or more will automatically be directed to the endowment.

**Q. Can I give stock or any other assets besides cash?**

A. Stock and cash are the most common gifts to the congregation, but gifts can also include real estate and personal property of your choice. The Beth Am board has adopted guidelines for gift acceptance; more unusual gifts will be considered on a case-by-case basis according to our policy.

**Q. What is the Beth Am Builders Circle?**

A. The Builders Circle is the group of Beth Am members who have notified us that they have included Beth Am in their estate plans. There is no minimum amount required.

**Beth Am Development Office:**

**Mandy Eisner**

**Director of Development**

**Congregation Beth Am**

**26790 Arastradero Road**

**Los Altos Hills, CA 94022**

**Tel: 650.493.4661 ext. 504 • Fax: 650.494.8248**

**[meisner@betham.org](mailto:meisner@betham.org) • [www.betham.org](http://www.betham.org)**