

The Guardsmen

Estate Planning Guide

Estate planning is more than likely one of the more difficult things for us to actually sit down and do. For many of us, it makes us face our own mortality. As many of us know, there are many options you can use in planning your estate, including leaving a bequest to a charitable organization such as The Guardsmen. Bequests are an instrument of a contributor's will which sets aside a sum of money, portion of the estate or portion of the estate's residuary for distribution to The Guardsmen, which as you all know is a recognized IRC § 501(c)(3) organization. The bequest can be small or large. It can be unrestricted, or it can be restricted for use to a specific program of interest.

The information below is to provide you with an introduction to various methods you can use to leave a lasting legacy to The Guardsmen. A sound estate plan, which includes a planned giving provision to The Guardsmen, can provide income tax advantages as well. The information below is intended as merely general information about planned giving instruments. **Please consult your attorney or estate planner with respect to your individual situation.**

Wills and Living Trusts

By including The Guardsmen as a beneficiary under your will or living trust, you can make an important and lasting gift for future at-risk Bay Area youth while meeting your financial and estate planning goals. A bequest can take many forms, and because a bequest qualifies for the estate tax charitable deduction, it may reduce your taxable estate.

Common types of bequests under a Will:

General: *"I give to The Guardsmen, a corporation organized and existing under the California Nonprofit Corporation Law, headquartered at 1016 Lincoln Blvd, Suite 205 San Francisco, CA 94129-0250, the sum of ___ dollars (or specific piece of property) to be used to further the purpose of The Guardsmen as determined by The Guardsmen Board of Directors."*

Bequest of a percentage: *"I give to The Guardsmen, a corporation organized and existing under the California Nonprofit Corporation Law, headquartered at 1016 Lincoln Blvd, Suite 205 San Francisco, CA 94129-0250, _____ percent (name specific percentage) of my estate to be used to further the purpose of The Guardsmen as determined by The Guardsmen Board of Directors."*

Bequest of residue: This is a provision in a will leaving the remainder of one's estate to an organization after all other bequests are fulfilled. *"I give and bequeath to The Guardsmen, a corporation organized and existing under the California Nonprofit Corporation Law, headquartered at 1016 Lincoln Blvd, Suite 205 San Francisco, CA 94129-0250, the rest, residue and remainder of my estate, both real and personal, whatever situated, to be used to further the purpose of The Guardsmen as determined by The Guardsmen Board of Directors."*

Contingent bequest: This leaves a bequest to The Guardsmen if any of the other beneficiaries are unable to receive their bequests because of death or other circumstances. Generally this

reads, "should (name of person) predecease me, I give and bequeath to The Guardsmen, a corporation organized and existing under the California Nonprofit Corporation Law, headquartered at 1016 Lincoln Blvd, Suite 205 San Francisco, CA 94129-0250 the portion of my estate going to _____ (this person) to be used to further the purpose of The Guardsmen as determined by The Guardsmen Board of Directors."

To leave a gift from a Living Trust:

"I direct my trustee to distribute from the principal of my trust estate to The Guardsmen, a corporation organized and existing under the California Nonprofit Corporation Law, headquartered at 1016 Lincoln Blvd, Suite 205 San Francisco, CA 94129-0250, the sum of _____ dollars (or, if stock, land or other property, please describe) to be used to further the purpose of The Guardsmen as determined by The Guardsmen Board of Directors."

Retirement Plan Assets

Your IRA, 401(k), 403(b) or other qualified retirement plan may be subject to significant income tax if left to anyone other than a legally recognized spouse. By naming The Guardsmen as a beneficiary of all or a portion of a retirement plan, you avoid both the estate tax and income tax that may have been due on these tax-deferred plans if distributed to your heirs.

Insurance

If you have a life insurance policy you no longer need, you may consider transferring ownership to The Guardsmen. You may also purchase a new policy, and later name The Guardsmen as the owner and beneficiary. Either gift generates a charitable income tax deduction. The payment of premiums on behalf of The Guardsmen will also enable you to claim income tax charitable deductions.

Charitable Remainder Unitrust

With this instrument of planned giving, you could potentially and irrevocably transfer money, stock certificates, personal or real property to a trustee who then pays you, and possibly others, income for life or for a period of years as determined by you at the time the assets are transferred. Then you and/or other income recipients (people and/or organizations) receive annual payments from the trust based on a fixed percentage selected by you and applied to the market value of the assets as determined each year. This means that the income will vary from year to year.

Charitable Remainder Annuity Trust

This instrument performs in much the same way as a Charitable Remainder Unitrust; with two important differences. The annual income the recipient receives as a result of such a charitable gift will always be the same regardless of the changing annual value of the assets. Once assets are placed in this type of trust, you may not add to the trust capital to provide for a greater charitable deduction. The charitable remainder annuity trust may place you in a position of greater financial security because it fixes the amount of income paid annually regardless of market conditions.

Charitable Gift Annuity

The charitable gift annuity is a contract between you and a non-profit organization whereby the organization promises to pay a certain amount of money each year in exchange for a gift of property.

Charitable Lead Trust

The income from this type of trust is directed to a charitable organization for some period of years — often 10 years or more. At the end of the stated number of years, the trust becomes the property of the individuals named by you, such as children or others, or it can revert to you. The lead trust differs from the unitrust or annuity trust in that the charitable organization receives the income from the trust during the trust period rather than receiving the trust corpus at the end of the trust period.

Split-Interest Gifts

Split-interest gifts are similar to the trust options discussed above, but these gifts do not utilize a trust. The most common example is where you transfer your home to The Guardsmen, while retaining a life estate interest in your home. This allows you to live in your home throughout your life, while benefitting The Guardsmen after your death. If you make a split-interest gift to The Guardsmen, you will receive an income tax deduction for the value of the remainder that will pass to The Guardsmen upon your death.

The Guardsmen's Legal Designation

The following information should be included to name The Guardsmen in your will, trust or other planned gift:

- Complete legal name: The Guardsmen, a California nonprofit public benefit corporation
- Permanent address: 1016 Lincoln Blvd, Suite 205 San Francisco, CA 94129-0250
- Federal tax identification number: 94-1196194

For additional information about including a gift to
The Guardsmen in your estate plans, please contact:

The Guardsmen
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