WOMEN FOR WOMEN INTERNATIONAL

Planned Giving Frequently Asked Questions

Please connect with our Planned Giving team at ramones@womenforwomen.org to start a conversation today.

Estate Planning

Q: What is an estate plan?
A: Every adult, regardless of your age or net worth, needs an estate plan. An estate plan ensures your wishes are honored regarding who will pay your final expenses and who will receive your assets, such as your financial accounts, stocks, life insurance policies, personal property and real estate. It includes one or more documents such as a will, trust and/or beneficiary designation form.

Q: Why do I need an estate plan?
A: An estate plan ensures that your wishes are honored regarding the disbursement of your assets. Without one, you risk having the state deciding who will receive your various assets.

Q: How do I create or update my estate plan?
A: Begin by considering your assets, beneficiaries, and objectives when starting to plan your estate. First, consult an attorney, who will advise you on various ways to save money on taxes and will ensure the distribution of your assets are outlined according to your wishes. Consider updating your estate plan following important life events like marriage, birth of a child/grandchild, divorce, death of a beneficiary, or the purchase of a new asset.

Q: How can I include Women for Women International in my estate plan?
A: You can name Women for Women International as a primary or contingent beneficiary of your retirement plan, a life insurance policy, financial accounts, personal property, or other assets.

Q: What are the benefits of making a charitable contribution through my estate?
A:

- Bring to life your values. Your will or trust allows you to create a bequest that perpetuates the values important to you.
- Maintain control of your assets during your lifetime.
- Take advantage of tax laws that preserve your assets while reducing your annual tax burden.

Q: How do I name Women for Women International in my estate plan?
A:
If you wish to name Women for Women International in your estate plan, we should be named as:

Women for Women International, a nonprofit corporation, organized and existing under the laws of the District of Columbia, with a principal business address of 2000 M Street, NW, Suite 750-A, Washington, D.C. 20036. Our tax identification (EIN) number is: 52-1838756 and our date of incorporation: June 14, 1993.

Q: What is a codicil?
A: A codicil is a simple amendment to a will and avoids the cost of rewriting the entire document. The codicil must be signed and witnessed or notarized like the original will document.

Gifts of Stocks and Appreciated Assets

Q: How do I initiate a gift of my stock?
A: Please contact us so that we can help you with transfer instructions. If you own securities in a brokerage account, we can help you set up an electronic transfer of the shares to our brokerage account. If you have actual stock certificates, we can advise you on how to sign the certificates over to us and complete a stock power form.

Q: What are the tax advantages of making a gift of stock?
A: Assuming you are giving long-term (owned for 12 months or more) appreciated securities, you will receive a charitable income tax deduction equal to the fair market value of the shares. For common stocks this is usually the mean value on the date that we take control of the shares you give. You will pay no capital gains tax. Gifts of stocks are deductible up to 30% of your adjusted gross income the year you make your gift. Any excess amount can be rolled over into the next tax year, for up to five additional tax years if needed.

Q: Will you sell the shares of stock?
A: It is generally our policy to liquidate any stock shares donated immediately upon receiving them so that the proceeds can go toward advancing our mission.

Q: Can I give closely held stock?
A: Typically, yes. There are often significant tax benefits that accompany this type of gift. However, giving closely held stock is more complicated than giving publicly traded securities and may be subject to certain transfer restrictions. We do ask prior to our acceptance of the gift that the business or shares have had a recent qualified appraisal. Our team is happy to help guide you through the process.

Gifts of Life Insurance

Q: How do I arrange a gift from my life insurance?
A: Simply contact your life insurance company and request a Change of Beneficiary/Ownership Form and designate Women for Women International as the new owner and beneficiary of your policy.

Q: What implications will a gift of life insurance have on my taxes?
A: If you give your policy to us while you are still alive, you will receive an immediate income tax deduction for the current value of the policy. In order for you to get this deduction when the charity is

the policy owner, you make donations to the Women for Women International so that we have funds to pay the insurance premiums. Put another way, the donor covers the premium payments that the charity now makes on the gifted policy by making regular additional monetary gifts to the charity. If you retain ownership of the policy, benefits payable to us at death can save you federal and state estate taxes depending on the size of your estate and your state of domicile.

Gifts of Real Estate

Q: How do I know if the property I want to donate will be helpful to Women for Women International?
A:
Here are a few questions to help understand whether the property will be helpful for us:

- Are there any environmental concerns with the property?
- Does the property currently have any liens?
- Is the property marketable and salable within a reasonable timeframe?
- What are the costs associated with accepting and holding the property?
- Can we realize a positive net return on the property?

Q: What are the tax benefits of donating real estate?
A: You will receive an income tax deduction equal to the appraised fair market value of the property. An independent qualified appraisal is required for this purpose and it is up to the donor to acquire such an appraisal. Donating your property may also reduce your estate costs and taxes as well.

Q: Can I arrange for a life income stream for my gift of real estate?
A: In many cases, yes. Real estate can be transferred to a charitable remainder unitrust, which will provide you with tax benefits and set up a stream of income for beneficiaries like your spouse, children, and/or other loved ones.

Gifts of Personal Property

Q: What are the tax benefits of donating personal property?
A: The key question to determine is whether or not your donation has a legitimate use related to the charitable mission of our organization. If your gift is related to our charitable work then your income tax deduction is based on the fair market value of the property. For gifts of property with a value of $5,000 or more, an independent qualified appraisal of the property is required by the IRS.
If your gift of personal property has no relation to our charitable work, then your tax deduction is limited to your cost basis in the property. We suggest that you acquire IRS publications 526 and 561 to review all the comprehensive information available for gifts of personal property.

Q: Can I arrange for a life income stream for my gift of personal property?
A: In some cases the answer is yes. Personal property can be transferred to a charitable remainder unitrust which will provide the donor with tax deduction benefits as well as setting up an income stream

for beneficiaries such as a spouse, children and/or other loved ones. Only personal property with a value of $50,000 or greater should be considered for this purpose.

Charitable Gift Annuity

Q: How are the annuity payments guaranteed?
A: A gift annuity contract becomes a legal financial obligation of Women for Women International and is backed by all of our assets.

Q: Is it better to give cash or appreciated securities for my gift annuity?
A: Both have distinct advantages. A gift of cash will produce a larger tax-free portion of the annuity. A gift of stock can increase your income because of reduced capital gains cost. Both assets produce an equal annuity rate and charitable income tax deduction.

Q: Can I defer my annuity payments?
A: Yes, you can make a gift now for an annuity contract that will defer your payments to a future date that you decide, perhaps sometime after retirement when the additional income would be helpful. In this way, a deferred payment gift annuity can serve as a type of tax-deferred savings plan that will provide guaranteed future income.

Deferred Gift Annuity

Q: How can this type of gift enhance my retirement savings?
A: A Deferred Gift Annuity provides lifetime annuity payments starting at a future date. Because of the deferral, payments from deferred gift annuities are higher than those from annuities whose payments begin immediately. As a result, donors typically receive a larger charitable deduction than with an immediate-payment annuity. Many use deferred gift annuities as a source of supplemental retirement income. They often create their annuity with funds they had already set aside for retirement savings, and set their anticipated retirement as the date to begin receiving payments. An attractive option is to establish a series of deferred gift annuities over several years, all scheduled to begin payments upon the donor's retirement.

Q: May I choose the start date for my annuity payments?
A: Yes. You can choose any date that makes sense for you and aligns with your objectives. Just remember that the longer you wait, the larger your payments will be.

Q: Is it better to use gifts of cash or stock for my deferred gift annuity?
A: Both have specific benefits. A gift of cash will produce a larger tax-free portion of the annuity and a gift of stock will reduce the donor’s capital gain tax while producing income that will likely be at a lower tax rate. However, both assets produce an equal annuity rate and charitable income tax deduction.

Charitable Remainder Unitrusts

Q: How would the assets of my unitrust be invested?
A: If the assets in the trust are liquid such as cash or securities, typically a unitrust is invested in a balanced portfolio that is designed to produce both income and growth over the term of the trust. If the trust assets are primarily non liquid assets such as real estate or personal property, the trust may be held for growth in capital appreciation rather than current income. At some later date, the non liquid assets could be sold (avoiding capital gains taxes) to be reinvested to produce income for the income beneficiaries.

Q: Is it better to give cash or appreciated securities?
A: Both types of assets yield almost the same results for tax deduction purposes. However, gifts of appreciated property have the added value of avoiding capital gains tax.

Q: How will income from my unitrust be taxed?
A: Your income will be taxed according to the type of investments and payout rate of the trust. You will usually pay tax at the ordinary income level on any ordinary income that is distributed, up to your full payment. The rest of your income will be taxed at the next lowest rate, usually as capital gains, then as tax-free return of principal. If you desire to know your taxation rates when you fund your life income gift, you might want to consider a charitable gift annuity or deferred gift annuity.

Q: Can I give real estate or other property to a unitrust?
A: In most cases, yes. The value of the trust principal will be determined by a qualified appraisal of the property. However, real estate or other property may not be producing income and thus the income beneficiaries may receive no or very little income until these assets are sold and reinvested to produce income.

Q: What are the tax deduction implications of my Charitable Remainder Unitrust?
A: A Charitable Remainder Unitrust is a powerful tool that can save you income, capital gain, estate, and inheritance taxes depending on your circumstances and state of domicile. A qualified advisor is crucial to assist you in maximizing these benefits.

Charitable Lead Trusts

Q: Will I be able to claim an income tax deduction when I set up my Charitable Lead Trust?
A: Maybe. If the trust is structured a certain way, you'll be eligible to claim an income tax deduction in the year you set up your trust. However, that means that all of the trust income in following years will be taxed to you as well. Most donors structure their Charitable Lead Trusts in a way that does not yield a current income tax deduction so that they don't have to worry about income tax issues in the future. In both cases, you are able to provide wonderful support to the American Cancer Society and to pass trust appreciation to your family free of gift and estate tax. We can provide you and your advisors with information that will help you decide which type of Charitable Lead Trust will work better for you.

Q: How long will my Charitable Lead Trust last?
A: There is no minimum or maximum term for your Charitable Lead Trust under federal law, although applicable state law may require such a trust to end eventually (typically after several decades). However, if you want to maximize the benefit to Women for Women International and minimize transfer taxes, we can help you determine the optimum term to accomplish your goals. Generally, the longer the term, the lower the taxable gift to your remaining beneficiaries and the higher the benefit to Women for Women International.

Q: How does a Charitable Lead Trust help Women for Women International?
A: A Charitable Lead Trust can act as a cash gift to us while providing tax advantaged planning to you and your heirs. Cash gifts may support any of the areas that you are most passionate about at Women for Women International.