

Retirement Assets

A gift of **retirement assets** is the easiest and most tax-savvy “deferred” gift you can make.

Giving retirement assets may be appropriate if ...

- You have an IRA, 401(k), 403(b) or other tax-deferred retirement plan.
- Your loved ones are provided for by other means.
- You want the flexibility to change your gift at any time.

What benefits will I enjoy?

You can maximize the support you provide for your loved ones and your favorite charitable causes after your lifetime by strategically selecting the assets you leave to each. Key to that strategy, regardless of your financial situation, is using retirement assets to fund your charitable interests. Most retirement accounts, including traditional 401(k)s, 403(b)s and IRAs, are tax-deferred. In other words, the contributions that you and your employer made, and investment earnings accrued over time, were not taxed. Later distributions, however, are fully taxable, whether those distributions are made to you in retirement or to your loved ones after your lifetime. If your estate is taxable, the value of those distributions may be further reduced by federal and/or state estate tax.

You can reduce that tax burden by directing retirement assets to a tax-exempt organization like the Foundation and leaving more favorably taxed assets, such as stock and real estate, to your loved ones. Because this “deferred” charitable gift is revocable - this is, because you can change your designation of the Foundation as beneficiary of your retirement accounts at any time, for any reason - the tax savings will occur only upon your death, and will not generate any immediate charitable deduction during lifetime.

If you are uncertain about your family’s future needs, consider naming the Foundation as a contingent beneficiary, to receive funds only if loved ones named as primary beneficiaries are no longer living or decide they do not need or wish to receive retirement assets at your death.

How do I make a gift of retirement assets?

To direct retirement assets to the Foundation after your lifetime, you must complete a new beneficiary designation form. These forms are generally available from your employer’s human resources department or from the investment firm that manages your retirement account. Please be sure to identify the Foundation by its full legal name: **Appleton Education Foundation, Inc.** Please be sure, also, to return the completed form to your employer or investment firm so that they will be able to distribute proceeds to the Foundation when the time comes.

Beneficiary designation forms often do not provide sufficient space for further instruction about the charitable causes you would like to benefit. To ensure that we understand how you would like your thoughtful gift to be used, please contact the AEF office to speak in confidence about your wishes.

Special Note re: Qualified Charitable Distributions during lifetime

As a supporting organization of the Community Foundation for the Fox Valley Region, AEF is not eligible to receive a Qualified Charitable Distribution (QCD) from an IRA. A direct transfer to AEF is, therefore, treated as a taxable withdrawal from an IRA, which may qualify for a charitable deduction. Please contact us to talk about different options, including working with AEF’s partners at the Community Foundation.

How giving retirement assets works:

1. You designate the Foundation as a beneficiary of your 401(k) or other retirement account.



2. Upon your death, remaining assets are placed in a charitable fund.



3. The fund improves the community by supporting educational causes you selected.



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