

What happens to retirement assets left in a Will or Living Trust?

Together, estate and income taxes can be as much as 70% on qualified retirement assets such as 401(k) accounts or IRAs. If instead you name tax-exempt Christian organizations as the beneficiaries of all or part of your remaining retirement account balance, the full value will be received by your selected charities. These funds will not be subject to estate taxes and, because they were not passed on to heirs, they also avoid income taxes—wise stewardship of the resources God has entrusted to you.

What are the benefits of making an estate gift from my retirement assets?

There are several benefits when you make an estate gift from retirement assets to charity:

- Your qualified retirement plan gift can pass to the ministries dear to your heart tax-free.
- You can transfer the most taxed asset in your estate to your favorite kingdom causes, while leaving property that enjoys a more favorable tax treatment to your heirs.
- You have the flexibility of changing the beneficiaries of your retirement plans.

Can I use retirement assets to make a gift to charity now?

Yes. You can make withdrawals without penalty if you are over 59½ years of age. At age 70 you are required to make minimum withdrawals. If you give all or part of your withdrawal to your favorite kingdom causes, you can take a corresponding charitable deduction on your tax return because withdrawals are taxable income.

Can I name my children as beneficiaries of my retirement assets?

Yes, you can name children as beneficiaries. Whatever they receive will be taxed as ordinary income. On the other hand, assets they receive from an estate such as real estate, stocks, CD's and savings accounts are generally not taxable income.

Can I name both charity and children as beneficiaries of retirement assets?

Yes. You can name Christian organizations and your children as partial beneficiaries of your retirement plan. Your IRA administrator will divide the proceeds according to your latest beneficiary designation form.

This is general information and is not intended to be tax or legal advice. Please consult your own advisors.

