

The Bartholomew Society: Leaving a Legacy for Future Generations

Why leave a legacy?

You can make a lasting difference in Bartholomew County by joining the Bartholomew Society and creating a Legacy Fund through your trust or estate planning documents.

A Legacy Fund can be established as a permanent endowment that will benefit the community you love - forever. It can support a broad field of interest (like children's health, or seniors, or animal welfare), or a particular charity you choose. A Legacy Fund can also be unrestricted, to best address the future needs of the community.

Starting a Legacy Fund is easier than you might think, and sometimes produces other benefits for you and your family, such as lower taxes or larger outright gifts to children, grandchildren or others.

Three simple ways to establish a Legacy Fund:

Bequests

Life Insurance

Retirement Plans

Legacy Fund: Bequest

A bequest through a will or revocable trust is the most common way for donors to leave a charitable legacy. A bequest offers several benefits to donors, such as:

- It is not payable until death, so it does not affect your assets or cash flow during your lifetime.
- It is revocable—you can change the provisions in your will or trust at any time.
- It is private—your will is not filed or made public until your death.

A bequest to a Legacy Fund at HFBC offers the added benefits of **flexibility** and **durability**.

FLEXIBILITY: A PERSONALIZED APPROACH TO GIVING BACK

Flexibility means we will work with you to create language for your estate planning documents that speaks to your personal passions and interest areas. So if you care deeply about children, or education, or animal welfare, or arts/architecture, we can craft a plan that addresses these areas as broadly or narrowly as you like, and is reflective of your values.

DURABILITY: A VIGILANT PARTNER PROMOTING YOUR INTERESTS

Durability means that we will be here, many years from now, to distribute the dollars from your Legacy Fund to the most relevant, impactful and well-run charitable programs in Bartholomew County that work on the issues you care about. Our duty is to carry out your instructions; to make decisions that are anchored to the bequest language we receive in your will or trust; and to be the champion of your intentions over time. If you name specific nonprofits in your estate planning documents, we will continue to support them unless they cease to

exist, or no longer operate programs that match your interest areas. This doesn't happen often, but it can certainly occur when you look 30 to 50 years down the road.

To create a Legacy Fund that reflects your hopes and intentions, our staff will work closely with you, and your estate planning attorney, to develop language for your will or trust. If you've already got a will or revocable trust, your attorney can make amendments without rewriting the entire document. (He or she can prepare a simple document, called a codicil, which adds a new bequest to us while reaffirming the other terms of your will. Similarly, an attorney can prepare an amendment to a revocable trust to add a Legacy Fund at Heritage Fund as a beneficiary.)

Legacy Fund: Insurance Policies

If you want to create a Legacy Fund at Heritage Fund without tapping into the other assets of your estate, a gift of life insurance may be a good option.

As long as you retain ownership of the policy, there is no charitable deduction for the value of the policy when you designate Heritage Fund – The Community Foundation of Bartholomew County as the beneficiary.

You retain access to the cash value of the policy, and the right to change the beneficiary designation. Proceeds payable to a Legacy Fund at HFBC at your death, however, will not be subject to federal estate taxes.

Legacy Fund: Retirement Plans

Naming a Legacy Fund at Heritage Fund as a beneficiary of your retirement plan is a smart way to make a significant gift to our community that may not be possible during your lifetime.

You can designate HFBC as a beneficiary of your retirement plan, whether it is a 401(k), 403(b), IRA, or other qualified retirement program. These assets could be taxed at high rates upon your death, and estate taxes may be due in addition to the taxes your heirs may pay on the income in respect of the decedent (IRD). For these reasons, many advisors recommend retirement plan assets as the first to be designated for charitable purposes.

If you are concerned about estate taxes, designating HFBC as a charitable beneficiary on your retirement plan is a good choice because the benefit payment is generally excluded from your estate for tax purposes. And, because you may change the beneficiary designation at any time, your decision is revocable.