

RETIREMENT FUNDS & LIFE INSURANCE



BON SECOURS RICHMOND HEALTH CARE FOUNDATION

giving makes good happen

Making a Gift You Never Dreamed Possible

There can be special tax and other benefits when you give retirement account assets and life insurance policies.

You may feel that you have more funds in your retirement plan than needed for your future financial security. If that is the case, in addition to a tax benefit, it may be a convenient way to make a charitable gift during your lifetime or at death.

Also, the need for life insurance can change over time. When a life insurance policy is no longer needed for its original purpose, the policy can be an ideal asset to fund a charitable gift larger than anything you might be able to fund during your lifetime.

Naming the Bon Secours Richmond Health Care Foundation as a Beneficiary or Owner of Your Policy

As you may know, life insurance proceeds are a taxable portion of your estate when you die unless you designate your spouse or a charity as your beneficiary.

By designating the Bon Secours Richmond Health Care Foundation as the beneficiary of your life insurance policy, this asset will be eliminated from your taxable estate at your death, and you will be assured that 100% of your designated amounts will be applied fully to the Foundation program you designate for the purposes you



define. Your designation will ensure a legacy of support for the Foundation often far greater than you might imagine, while other assets in your estate will still be available for your family and other beneficiaries.

Designating the Bon Secours Richmond Health Care Foundation as a beneficiary of your policy is simple—just request a beneficiary designation form from your life insurance company and complete it accordingly. Because your designation is revocable, you will retain maximum flexibility during your life to adjust your beneficiary designation if your personal or family needs change.

The need for life insurance can change over time. If this is the case for you, you may also want to make a gift today of a policy that you no longer need and perhaps benefit from immediate tax savings. If you have a policy that is only partially paid off, but you find that you no longer need this policy, you might consider transferring ownership of the policy to the Bon Secours Richmond Health Care Foundation, so that your future payments can be tax deductible.

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Giving Through Retirement Plans

Whether you participate in a company-sponsored retirement plan or have funded an Individual Retirement Account (IRA) or other plan, you may feel you have more funds than will be needed to provide for your future financial security.

By naming a charitable organization as beneficiary of your retirement plan, you may save your beneficiaries money in federal taxes on many levels.

Funds remaining in retirement plans can be subject to both income and estate taxes, so it can be wise to make charitable

gifts from these sources and leave other assets to loved ones.

Tax-Free Gifts from IRAs

Since 2006, it has been possible for IRA owners age 70-1/2 or older to exclude up to \$100,000 a year from income if the IRA funds are paid directly to certain public charities. (Otherwise, the IRA owner would have to pay tax on the IRA funds before claiming the deduction.) For taxpayers who don't normally itemize their deductions and so don't get to deduct their contributions anyway, it's a winner, and for taxpayers who usually do itemize, it may also leave them ahead.

The Bon Secours Legacy Circle Guardians of Good Help

If you choose to include Bon Secours in your estate plans, please let us know so that we can say "thank you." Informing us of your intentions does not create any obligation on your part.



MAKING A GIFT I NEVER DREAMED POSSIBLE

Mrs. Smith has been making an annual gift to support the Bon Secours Memorial College of Nursing, but she really wanted to fund a scholarship in her mother's honor that will provide support to nursing students for many years to come.

Mrs. Smith purchases a \$125,000 life insurance policy and makes Bon Secours Richmond Health Care Foundation the owner and beneficiary of the policy. This enables her to create the scholarship she has always dreamed about.

Each year Mrs. Smith makes a gift in the amount of the premium which is also the amount that she had been donating annually to support the College of Nursing. Contributions to the Foundation to pay the premiums of the policy are tax deductible. At the end of Mrs. Smith's life, the \$125,000 in insurance proceeds will be used to establish a scholarship in her mother's name.

By giving the Bon Secours Richmond Health Care Foundation her insurance policy, Mrs. Smith will be able to fund a charitable gift much larger than she had thought possible, and she will have created a thoughtful and important legacy to honor her mother.

For More Information

To learn more about giving through your will or living trust or about other planned giving opportunities at the Bon Secours Richmond Health Care Foundation, please contact the Foundation office:

804-287-7700
info_bsvaf@bshsi.org
www.bsvaf.org/waystogive/plannedgiving
7229 Forest Avenue, Suite 200
Richmond, Virginia 23226

The Bon Secours Richmond Health Care Foundation does not provide legal or tax advice. We recommend that you seek your own legal and tax advice in connection with gift and planning matters. To ensure compliance with certain IRS requirements, we disclose to you that this communication (including any attachments) is not intended or written to be used, and cannot be used, for the purpose of avoiding tax-related penalties.