



# NATIONAL PARK LEGACIES

Gift and Financial Planning Information

Spring 2018

## SMART GIVING AFTER TAX REFORM

The *Tax Cuts and Jobs Act of 2017* captured the nation's attention and has left many people with questions such as: How will the new law impact making gifts to the National Parks Conservation Association and my other charitable interests? What are some of the most effective ways to make my charitable gifts this year and in the future?

The answers to these questions will depend on your individual circumstances, so it is always wise to discuss any giving ideas with your advisors. Generally speaking, there are a number of positives for donors as a result of the law:

- The charitable deduction was preserved, and the allowable deduction—as a percent of a person's adjusted gross income—was expanded in some cases.
- Fewer people will be subject to the estate tax than ever before.
- The tax advantages of giving from retirement plans and giving appreciated securities remain in place.

For example, **making gifts of stocks or mutual funds** that have increased in value may be particularly attractive this year. When you give in this way your tax

deduction is based on the current value of the shares, not just the amount you paid for them. As an added benefit, no capital gains tax will be owed on the increased value. This also allows you to conserve your cash for other uses.

Another example: **making gifts from your IRA**. If you are age 70½ or older, you can direct funds from your IRA to qualified charities like NPCA tax-free. This is a tax-effective way to make charitable gifts—whether or not you deduct your gifts on your tax return. See Page 3 for more information about IRA giving.

If you have a donor advised fund (DAF), it may be a good time to use it to direct gifts to NPCA. As a result of the new law and the expanded standard deduction, we anticipate that many people will increase the amount they contribute to their DAF in some years to ensure they will enjoy the benefits from itemizing mortgage interest, state taxes, and other deductible expenses.

We are happy to discuss charitable giving ideas with you, confidentially and with no obligation, and offer ways to continue your support of the National Parks Conservation Association in the future.

Above: Tetons and wildflowers at sunset © AndrewSoundarajan | iStock  
Below left: Black bear walks through thick bushes © kellyvandellen | iStock Below right: Straight on view of Joshua Tree bloom © kellyvandellen | iStock



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# TEST YOUR KNOWLEDGE ABOUT BENEFICIARY DESIGNATIONS

Do you have life insurance policies or retirement accounts? Along with bank and investment accounts, life insurance and retirement plans can make up a significant portion of your overall estate. Unlike other assets, however, these may be distributed quite simply through a beneficiary designation form filled out when the plan or account is created (or updated at a later date). Take the following quiz to see how much you know about beneficiary designations.

**It's a good idea to conduct a yearly review of all my beneficiary designations to make sure they are still current.** ☐ True ☐ False

**TRUE.** Events in your life, such as a change in marital status, the birth of grandchildren, moving to another state, the loss of a loved one, changes in your charitable wishes, etc. can affect one or more of your current beneficiary designations. Making sure they still reflect your intentions is important.

**It's a simple process to make a change or addition to a beneficiary designation.** ☐ True ☐ False

**TRUE.** It may be as easy as going online to make the change electronically or filling out and signing a basic form and mailing it to the institution (insurance company, retirement plan administrator, or financial entity). Contact your plan administrator for more information.

**I can name NPCA as a beneficiary of a retirement plan, insurance policy, bank account, or investment account.** ☐ True ☐ False

**TRUE.** You can generally name a charitable organization to receive all or a percentage of one of these accounts.\* If you choose to do so, it is important to make sure you have the proper legal name to ensure the assets go where you want them to.

\*Special rules apply to some "pay on death" provisions in some states. Check with your advisors if you have questions about updating beneficiary designations.

## DID YOU KNOW?

Now may be a great time to consider a **charitable gift annuity**, the "gift that gives back" in the form of lifetime payments and other tax benefits in your retirement years. **New, higher rates** for gift annuities will go into effect on **July 1, 2018!** Contact us for more information about gift annuities; we can provide you with a confidential, no-obligation illustration that will outline how this gift plan can benefit you or your loved ones.

NPCA accepts gifts of \$10,000 or more to establish charitable gift annuities (CGAs). With an NPCA gift annuity, you may choose to start receiving income payments at age 65 or older.

Arches National Park  
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## NEW GIFT ANNUITY PAYMENT RATES Effective 7/1/2018

Selected rates for one person		Selected rates for two people of the same age	
Age	Rate	Age	Rate
90+	9.5%	90/90	9.1%
85	8.3	85/85	7.3
80	7.3	80/80	6.2
75	6.2	75/75	5.5
70	5.6	70/7	5.0

For illustrative purposes only.  
Please contact us for current benefits and rates for other ages.



## GIVING TO NPCA FROM YOUR IRA

For more than 100 years, our nation's tax laws have encouraged charitable giving in a variety of ways. For example, charitable gifts may be deducted from income that would otherwise be taxable under federal tax law and the tax laws of many states.

In some cases, taxpayers encounter limits on the amount of charitable gifts they can deduct. For example, retirees may find that increases in their standard deduction prevent them from itemizing charitable gifts.

Fortunately, a special provision—called the charitable IRA—can help those 70½ and older overcome various limitations on their tax benefits by allowing tax-free charitable gifts to be made directly from their IRAs. People with traditional IRAs can make such gifts to qualified charities using funds that might otherwise be taxed when withdrawn.

Donors may choose to make charitable gifts directly from an IRA up to a total of \$100,000 per year. A couple with separate IRAs can each make gifts up to this amount.

### For example:

Jean and Bob, ages 71 and 72, are semi-retired and enjoy income from a number of sources, including amounts they are required to withdraw from their IRAs. These withdrawals must be reported as taxable income, causing additional taxes to be due, even if they make charitable gifts using these funds. This is because Jean and Bob do not typically itemize their tax deductions.

The couple decide to make charitable gifts directly from their IRAs this year. The amount of these gifts will not be reported as taxable income and therefore will result in tax savings.

These savings would not be possible if Jean and Bob withdrew the funds and were not able to take a charitable deduction. The amount given in this way can count towards their annual required minimum distribution, will completely escape taxes, and is reported as a “qualified charitable distribution” on their income tax return.

To learn more about making a gift to the National Parks Conservation Association from your IRA, return the enclosed card or contact us.

Below: Yosemite Valley in summer, California, USA © bluejayphoto | iStock



## TIME FOR A CHECKUP?

Just as an annual checkup with your doctor helps maintain your physical health, regular checkups of your will, living trust, or other estate plans can help maintain good financial health.

Everyone who owns property deserves the protection of a comprehensive annual review to reflect any changes in their family, finances, and/or tax laws. Begin your review by deciding who you want to provide for, making a list of everything you own, defining your goals, and then putting your plans in writing.

Think about the people you want to provide for in your plans: your spouse, children, grandchildren, a sibling, or other relatives. Some will wish to remember a special friend or long-time employee.

When you list your assets, be sure to include your home, vehicles, collections of value, jewelry, etc. Then, you can match your assets to your heirs.

Your estate plans can also be a way to make meaningful gifts to the National Parks Conservation Association. For instance, you can make a gift of a specific dollar amount, a percentage of your estate, or what's left after first providing for loved ones. Gifts can also be made with a life insurance policy or retirement funds (see Page 2).

If we can provide further information about the charitable aspects of your plans, return the enclosed card or contact us by phone or email.

The purpose of this publication is to provide general gift, estate, and financial planning information. It is not intended as legal, accounting, or other professional advice. For assistance in planning charitable gifts with tax and other financial implications, the services of appropriate advisors should be obtained. Consult an attorney for advice if your plans require revision of a will or other legal document. Tax deductions vary based on applicable federal discount rates, which can change on a monthly basis. Some opportunities may not be available in all states. © Copyright 2018 by Sharpe Group. All Rights Reserved. NGAX-18

## NPCA'S RECOMMENDED BEQUEST LANGUAGE

Including NPCA in your will is among the easiest ways to offer support of NPCA's work for years to come. NPCA's Board of Trustees has suggested the following language to include NPCA as a beneficiary of a will or trust: "I give \_\_\_\_\_ (specific amount, percentage, or residuary share) to the National Parks Conservation Association, having its principal offices at 777 6th Street, NW, Suite 700, Washington, DC 20001-3723. (Federal Tax Identification Number 53-0225165)."

If you already have a will, you can have your attorney add a codicil to include NPCA.



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toll-free 1-877-468-5775  
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giftplanning@npca.org  
www.npcap.org/giftplanning

For more information about how you can make a bequest, charitable gift annuity or a planned or outright gift to NPCA's endowment, please call Vonda Harrison toll-free at 1-877-468-5775. We look forward to helping you achieve your philanthropic goals.

Young man hiking Angels Landing trail  
in Zion National Park, Utah, USA  
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