

PLANNED GIVING NEWSLETTER #9: MARCH 2019

United Way of Pickens County is providing this newsletter as a service to our faithful supporters, because we have seen the consequences of people not having an estate plan.

This quarterly newsletter provides information about The various components of an estate plan. We hope that you will use this information to consider how your estate plan can provide for your family, reduce your tax burden, and support charities that you have supported during your lifetime.

It is not intended to provide legal or financial advice. Please seek the help of an attorney or financial advisor before making an estate plan.

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If you wish to be removed from this mailing list, send an e-mail to: meisengrein@uwpickens.org.

ANOTHER TRAILBLAZING COUPLE...THE ACKLEYS!

Rob and Ann Ackley have always been trailblazers. In the 1980s, they were fixing up dilapidated homes and selling them, almost thirty years before the national "Fixer-Upper" craze.

It makes sense, then, that they would want to be the first couple to use a unique way to make a future commitment that would one day greatly enhance United Way of Pickens County.



"Ann and I have always supported United Way," said Rob. "And when we moved to Pickens County, it was only natural to continue our support. We believe in the great work that Julie Capaldi and her staff are doing to help people in Pickens County. We are especially impressed with Camp iRock, and the impact it's making in helping struggling students enhance their reading skills."

"We're moving into a new season of life, where Ann and I are thinking about our estate plan and how we can continue to support the charities that we believe in through our will."

The Ackleys expressed an interest in leveraging their annual support to United Way into a much larger estate gift. Rob thought: "What can we do now to make a more meaningful impact one day, and thus touch more lives after we're gone?"

After discussing ideas with their insurance agent, Ann and Rob settled on donating an existing life insurance policy that they've had for 35 years. "I've had a paid in full whole life insurance policy on me that was originally purchased to one day cover my funeral expenses. The premiums now pay the annual cost of the insurance," said Rob. The Ackleys made United Way of Pickens County the beneficiary of this policy. When Rob passes, United Way will receive a significantly larger estate gift from the Ackleys than would have been possible.

"It's really a win/win situation for us, and for United Way of Pickens County," said Rob. "We were able to make United Way the beneficiary of a life insurance policy that we've had, and it will one day generate a significant gift for the Endowment Fund. We're excited to be able to help provide funds when I pass, to help people in need in our community."

CONSIDER LIFE INSURANCE AS A WAY TO SUPPORT UNITED WAY OF PICKENS COUNTY:

You can support the mission of United Way of Pickens County by donating life insurance. Here are several ideas to consider:

- **Name United Way of Pickens County as Your Beneficiary:** Donors can simply designate United Way of Pickens County as the beneficiary of a life insurance policy. The donor can always elect to change their beneficiary should they choose. Upon the donor's death, the death benefit will be paid directly to United Way of Pickens County.
- **Transfer Ownership of an Existing Life Insurance Policy to United Way of Pickens County:** Donors can give an existing policy to United Way of Pickens County by making us the owner and beneficiary. In this scenario, the gift of a policy qualifies for an income tax deduction.

*Here's an example...*A gentleman took out a \$500,000 permanent life insurance policy on himself at age 50, for the benefit of his wife. He paid premiums for 5 years. Sadly, his wife suddenly died, leaving him without the need for this insurance policy. Instead of losing the investment that he had already made in his policy, he donates the policy to his favorite charity. He gifted his existing policy, and continues to make his premium payments as his annual gift to the charity. When he dies, the full death benefit is paid immediately, and confidentially to his charity – a much larger gift than he would have made if donating the cash equivalent of his premium payments.

- **Use Your Charitable Donation to Buy Life Insurance:** Donors who have supported United Way of Pickens County for a number of years, may choose to purchase a life insurance policy to benefit us one day.

*Here's an example...*A donor wants to amplify their donation to a favorite charity. He knows that if he simply donates cash, say \$5,000 a year for 10 years, he will have donated \$50,000 to his charity. However, he chooses to use life insurance to amplify his donation by investing the same \$50,000 in a life insurance policy. In this scenario, he will donate the \$50,000 to the charity, and they will purchase a life insurance policy on the donor. As a preferred non-smoker, he is able to increase his donation from \$50,000 to nearly \$200,000 upon his death! His tax deduction is basically the same, but his donation and impact is greatly increased, just by using life insurance.

- **Wealth Replacement Insurance:** People are often reluctant to make a substantial gift to a charity, because they fear that they won't have enough assets to complete their life, or because they want to leave sufficient assets to their children and grandchildren. Life insurance can be used as a tool to replace the amount given to a charity with a life insurance death benefit. Thus, your heirs will receive at least as much as they would have if you hadn't made a charitable gift, and you'll be able to give freely to the charity of your choice.

*Here's an example...*John and Susan own property that has significantly increased in value over the last 50 years. If they were to sell the property, they may incur a large capital gains tax. If they decided to give the property to their children (during John and Susan's lives), their children may incur a capital gains tax when they sold it one day. They decided to contribute the property to a charity through a charitable remainder trust. The trust will sell the property tax-free and provide John and Susan a lifetime stream of income. When John and Susan pass, the trust will be donated to the charity. During life, John and Susan can set up an irrevocable life insurance trust (ILIT). John and Susan's irrevocable trust purchases wealth replacement insurance at a value of the cost of the property. The insurance will benefit John and Susan's children.

JOIN US FOR A "PARRR TEE" ON APRIL 11, 2019...MARK YOUR CALENDAR!

You are invited to join Palmetto Society members of United Way of Pickens County at a "PARRR TEE" on April 11, 2019, from 6-8:30 PM, at the home of Carey and Claudia York, 112 Four Lakes Drive, Easley, SC 29642. Special recognition will be given to the new members of the Heritage Society who have included United Way of Pickens County in their estate plan in 2018. Formal invitations will be sent soon, or you can call 864-850-7094 ext. 108 to have an invitation sent to your home address.



You are invited to join the *Heritage Society* by planning an estate gift to help support the ongoing mission of United Way of Pickens County in perpetuity. You will be joining other likeminded individuals who have made plans to support United Way of Pickens County through their estate plan. If you would like to discuss how to make one final gift to United Way of Pickens County through your estate plan, contact Mark Eisengrein at 864-850-7094 ext. 108 or email at: meisengrein@uwpickens.org