

PARTNERS FOR Tomorrow

Financial & Gift
Planning Ideas
for Friends
of SPCA
International



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Summer 2013

Exploring Options as You Plan

When considering economic and financial plans, it can be helpful to think in terms of three phases of life.

The earning years

As a young adult, much activity is devoted to earning income for yourself and those who depend on you, while saving as much as possible for the future. At this point in life, many choose to share a portion of their earnings with others through their charitable gifts on a regular basis or in response to a special request.

Managing assets

During the middle years of life it is important to continue to earn and save, but for many it is also a time to manage what has already been accumulated. Investing through retirement plans, insurance programs and other means can become a central part of economic life. This can also be a time to make larger charitable gifts from income and assets as financial security increases and other priorities are met.

Planning for the future

Retirement is the time when a person enjoys income from the assets accumulated earlier in life. While still preserving assets for coming years, many people devote more thought during retirement to how they would like to distribute their assets to others in the future. Charitable gifts can be an important part of this process.

Regardless of your stage in life, regularly updated plans can lead to peace of mind and a greater sense of well-being.

Read on to learn how your plans can live with you and help fulfill your personal, financial and charitable goals over time.



INSIDE:

- The charitable IRA is back
- Keeping your plans up to date

IRA Gifts Are Back

As part of the American Taxpayer Relief Act of 2012 (ATRA), you can once again make tax-free gifts in 2013 directly from a traditional or Roth IRA. You are allowed to direct that all or a portion of your mandatory withdrawal amount (or another amount up to \$100,000) be used to make gifts to SPCA International on a totally tax-free basis. Check with your plan administrator or other advisors for more information on how to make gifts in this way.

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. ©MMXIII RFSCO, Inc. All Rights Reserved. NWX-13

Taking the First Steps

One of the most important parts of efficient estate planning is taking the first steps. Putting your plans in the form of an outline can be a good way to start. Committing your goals to paper can make them more manageable.

Writing a thoughtful summary of your wishes can save expenses, too. Your attorney can prepare your will and other plans more quickly when working from a “blueprint” you provide.

Keeping in mind the “4 Ps” of estate planning may be a helpful starting point.

People: First, list the names of the *people* for whom you want to plan. They might include family members such as a spouse, children and grandchildren as well as close friends and employees.

Property: Second, make a list of your *property* and how you own it. In addition to cash and investments, note other property such as real estate, stocks, automobiles, life insurance policies, retirement plans, jewelry and collections of value. Estimate the dollar value and cost of each asset, along with any income it produces.

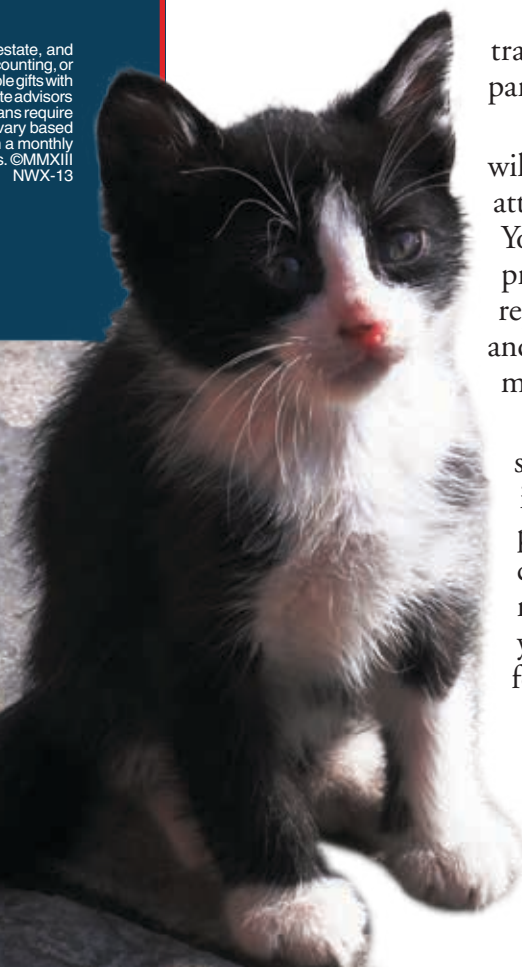
Plans: The third “P” will be your *plans* for matching *people* and *property*. List which property you would like each person to receive. A number of people choose to include charitable gifts to SPCA International as part of their plans.

Many tools have been developed for use in transferring property during lifetime and as part of your estate. See Page 3 for examples.

Planners: Finally, list the *planners* who will help you put your plans in effect. An attorney should draft legal documents. Your accountant, bank and life insurance professionals, investment advisors and representatives of charitable institutions and organizations you wish to remember may also take part.

You are now ready to meet with the person or persons you choose to coordinate the implementation of your plans. A draft of these plans should be prepared by a professional and carefully reviewed by you and perhaps one or more loved ones. Once all details are settled, your will and related documents are ready for signing.

When Typhoon Pablo devastated multiple villages in the Philippines, we offered assistance to PAWS (Philippine Animal Welfare Society) through our Emergency Grant Program.



Keeping Your Plans Up to Date

A good estate plan helps provide security should you experience one of four common financial challenges: outliving resources, premature death, financial emergencies or mental or physical disability.

Your will and related plans should be reviewed regularly to assure they reflect changes in finances, family circumstances, tax laws and other factors.

Financial picture

You may sell or give away property that was originally allocated to others in your will or acquire new property that is not accounted for in your estate plans. This may call for changes in how you decide to provide for your family, special friends and charitable interests.

Along With a Will

The will is one of the first tools that comes to mind when thinking about effective planning. Other ways of distributing property can help round out your estate plan and minimize taxes and probate expenses.

The *living trust* is a popular plan. Assets (including securities or other property) can be placed in such a trust and managed according to your instructions. When the trust ends (usually at the end of one's lifetime), the assets are managed or distributed as the trust directs, often avoiding the probate process. The trust provisions may usually be changed, or canceled, at any time during life.

Life insurance policies and *retirement plans* offer the opportunity to accumulate assets and make meaningful gifts that may also pass outside of probate, free of estate taxes under certain circumstances.

These planning tools typically function in concert with a will. If you do not have a will, your estate may forfeit possible tax savings and incur unnecessary delays and expense.

Family situation

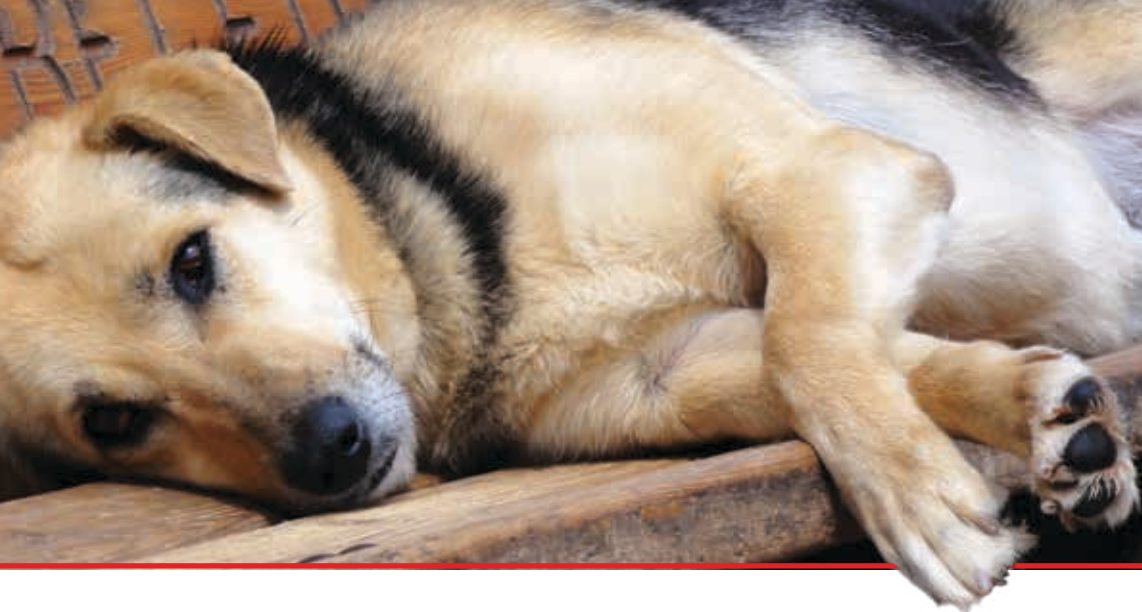
Births, deaths and changes in marital status can greatly affect your plans. Loved ones who were dependent on you at one time may now be independent, while others may now need greater assistance.

Federal and state laws

State laws govern wills and are subject to change. Federal and state tax laws can also have an impact on the way you and your advisors choose to structure your plans. This is a major reason to review your plans periodically with the assistance of your tax advisor.



The newest SPCA International program, Operation Military Pets, provides our nation's military families with much-needed financial assistance for pet transportation costs when the family is relocated.



Started in 2007, Operation Baghdad Pups has reunited beloved pets with countless service men and women after they return home.

Adding a Charitable Dimension

As we have seen in the preceding pages, there are many ways to include charitable gifts as part of your long-term estate and financial planning.

Here are suggestions of forms a charitable gift can take, whether left by will or through the use of other planning tools:

Residue: This is a gift of all or part of what remains in an estate after other distributions have been fulfilled.

Percentage: Providing for a percentage of your estate to be used for charitable purposes allows your gift to remain in proportion to the size of your estate.

Fixed amount: A specific dollar amount may be given. This can be a useful alternative when funding a particular need.

Contingent: A contingent gift occurs only if other beneficiaries are unavailable or in the event of a specific occurrence (such as the prior death of a loved one). Unless a contingent beneficiary is named, your property might pass to distant relatives you may not even know. Charities are often named as contingent beneficiaries in wills, revocable living trusts and other estate plans to receive property when other heirs are not there to do so.

Avoid confusion

Whatever form you choose for your gifts, make certain that the correct legal names of the intended recipients are used in order to avoid confusion and unnecessary delays (see the box below for our specific information).

Sample Bequest Language

Many of our friends choose to include SPCA International in their wills or other estate plans. Below is some suggested wording to take to your attorney to ensure your wishes are followed.

"After fulfilling all other provisions, I give, devise, and bequeath ____% of all of the rest, residue, and remainder of my estate [or \$____ if a specific amount] as a charitable contribution to SPCA International, Federal Tax ID #87-0773320, 242 West 30th Street, Suite #1001, New York, NY 10001."

CONTACT US:



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