

Tax-Wise Planned Gifts: Retirement Plans and Jordan Catholic School

Accumulating assets in your retirement plan is the foundation for a financially secure future. To preserve your retirement assets after your lifetime, consider the benefits of using them in a totally different way.

Retirement accounts are often exposed to income taxes and estate taxes, at a combined rate that could rise to 65 percent or even higher on large, taxable estates. Yet many of these taxes can be avoided or reduced through a carefully planned charitable gift.

Donating a Retirement Account

The simplest way to leave the balance of a retirement account to Jordan Catholic School (JCS) after your lifetime is to list us as the beneficiary on the beneficiary form provided by your plan administrator. Never make a beneficiary change, however, before discussing your desires with your professional advisors. For an IRA or Keogh plan you administer personally, notify the custodian in writing and keep a copy with your valuable papers.

If you are married, your surviving spouse is entitled by law to receive the entire amount in these qualified plans:

- Money purchase pension
- Profit-sharing plan
- 401(k) plan
- Stock bonus plan
- ESOP
- Any defined benefit or annuity plan (though not an IRA)

In order for the assets to be transferable to JCS, your spouse must execute a written waiver (even though you may designate a charitable organization as beneficiary on your employer's forms.) Your spouse can do this after your death, if necessary. In that case, the document also must include a qualified disclaimer.

If you prefer to make your spouse the primary beneficiary of the retirement account, you can name JCS as the secondary beneficiary.

Perhaps you want your children to benefit from your retirement account, too. In that case, you might designate a specific amount to be paid to JCS, before the division of the rest among your children.