

TIMOTHY HURSELEY

# GIVING WISELY

## Types of Planned Gifts to the Museum

There are several ways to include the Museum in your financial and estate planning, such as:

### WILLS AND LIVING TRUSTS

A bequest through your will or living trust is often the simplest gift to implement and one that requires no current outlay of funds. It allows you to make a gift to the Museum's Endowment Fund or Annual Fund after you have taken care of loved ones. A bequest can take many forms, and it qualifies for the estate tax charitable deduction.

### LIFE INCOME PLANS

A life income plan (a charitable gift annuity or a charitable remainder trust) may be the ideal way for you to make a gift to the Museum's Endowment Fund or Annual Fund while providing lifetime income for yourself and/or others. The Museum offers a number of life income plans. While their details vary, these plans all offer the following benefits:

- Income paid to you and/or another beneficiary for life or, in some cases, for a specified number of years;
- An immediate federal income tax charitable deduction;
- A potential increase in income from existing low-yield, appreciated securities, and a reduction—or possible avoidance—of capital gains tax on the appreciation;
- A reduced taxable estate; and
- The ability to make a perpetual gift by directing the charitable remainder to the Museum's Endowment Fund.

### BENEFICIARY DESIGNATION

One of the easiest ways to make a planned gift is to designate the Museum's Endowment Fund or Annual Fund as a beneficiary of all or a portion of a retirement plan account or an insurance policy. That could enable you to avoid substantial potential income and estate taxes if the assets are designated for a non-spousal beneficiary.

### CHARITABLE LEAD TRUSTS

A charitable lead trust pays annual income to the Museum for a number of years as specified by the donor, after which the trust assets typically revert to the donor's children or grandchildren. This plan provides a uniquely advantageous way to pass on certain assets to heirs while significantly reducing estate taxes.

### OUTRIGHT GIFTS

Making an outright gift of cash, securities, or real estate to the Museum's Endowment Fund or Annual Fund may be the best way to fulfill your charitable and financial objectives. Many financial advisors encourage outright gifts to achieve the double tax benefit of an income tax charitable deduction for the full value of your gift and removal of the donated asset from your estate for estate tax purposes.

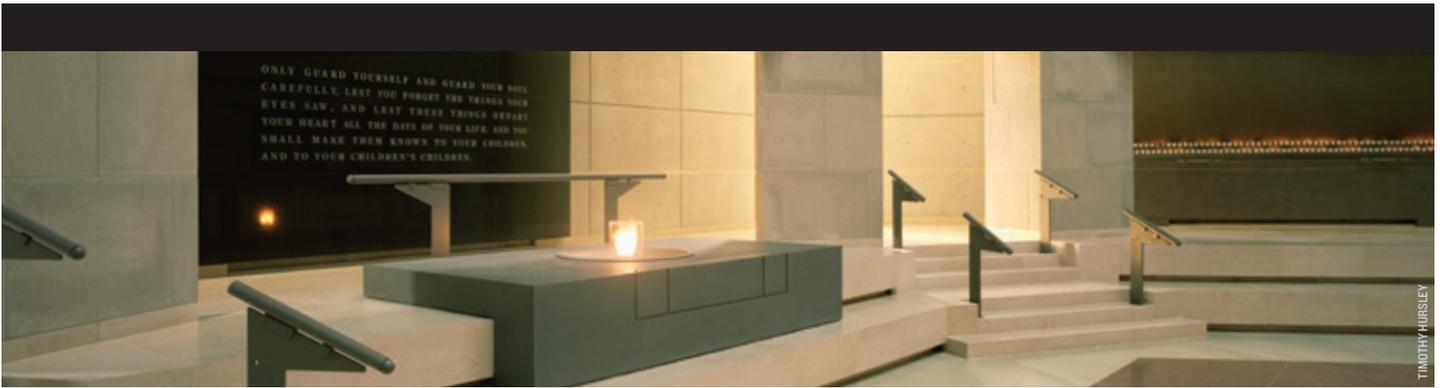
If you have any questions, please call George E. Hellman, J.D., the Museum's Director of Planned Giving, at 202.488.6591; e-mail [ghellman@ushmm.org](mailto:ghellman@ushmm.org); or write to:

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*Please see other side for types of assets for funding.*

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## Types of Assets for Funding a Planned Gift to the Museum

The types of assets the Museum most commonly receives, and which may be the most effective in helping you to accomplish your financial and estate planning objectives, are:

### **CASH**

Cash is the simplest type of asset with which to make a gift. You may claim an income tax charitable deduction for the full value of your cash gift up to 50% of your adjusted gross income. If you are unable to use your entire deduction in one year, you may carry over and deduct the excess for up to five years.

### **MARKETABLE SECURITIES**

A gift of appreciated stocks, bonds, or other publicly traded securities held for more than one year provides you with a double tax benefit both with an outright gift or when utilized to fund a life income gift. It enables you to avoid capital gains tax on the appreciation and receive an income tax charitable deduction based on the full fair market value of the securities. You may deduct gifts of appreciated securities up to 30% of your adjusted gross income, and you may carry forward and deduct any excess for up to five years.

### **CLOSELY HELD SECURITIES**

Closely held securities are often highly appreciated, especially if the corporation has grown from an individually owned or family-owned company. The potential capital gains tax on the stock's appreciation may make a sale unattractive. By giving closely held stock to the Museum, you could receive an income tax charitable deduction for its full fair market value and avoid all capital gains tax.

### **RETIREMENT PLAN ASSETS**

By naming the Museum as a beneficiary of all or a portion of your IRA, 401(k), or other qualified retirement plan, you avoid both the estate tax and the income tax that would be due if it were distributed to your non-spousal heirs. Retirement plan assets may also be ideal for funding a charitable remainder trust through your will to provide income to a loved one after your lifetime.

### **INSURANCE**

If you have a life insurance policy you no longer need, you may want to consider transferring ownership to the Museum. You may also purchase a new policy and then assign it to the Museum as the owner and beneficiary. A gift of an existing policy could generate an income tax charitable deduction, and annual contributions to the Museum in an amount equal to any insurance premiums will also enable you to claim income tax charitable deductions.

### **REAL ESTATE**

There are several ways to make a gift of real estate to the Museum. Please call the Museum's Planned Giving office, and we will be glad to explore with you how such a gift may help you combine your charitable and financial objectives. The Museum must approve and accept any gift of real estate before the transaction can be finalized.

The information provided in this document is not intended to serve as tax or legal advice. Please consult your attorney and/or financial advisor before making a gift. Contributions to the United States Holocaust Memorial Museum are eligible for the maximum income and estate tax charitable deductions available for gifts to a public charity.