KANSAS CITY
SYMPHONY

GIFT PLANNING STRATEGIES

SIMPLE WAYS TO HAVE A GREATER IMPACT ON PEOPLE AND INSTITUTIONS YOU LOVE MOST

SIMPLE WAYS TO CREATE A LASTING LEGACY …

Leave your IRA or other tax-deferred retirement account to charity.

With the Lifetime Estate Tax and Gift Tax Exemption at an all-time high of $11.4 million, most families no longer have to worry about the estate tax.

But if your children, grandchildren or other loved ones inherit your tax-deferred IRA or 401(k), they will have to pay ordinary income tax on that inheritance.

This is why **your IRA or 401(k) is one of the first assets you should consider leaving to charity**. When you designate one or more charities as the beneficiaries of your IRA or 401(k), you can ensure every dollar goes to organizations you and your loved ones care about, not the IRS.

You can often name charities as beneficiaries of your IRA or 401(k) in a matter of minutes without the added expense of an attorney. Login to your account online or contact your IRA custodian or retirement plan administrator to learn more about beneficiary designations.

Include charities you care about in your will or trust with bequests.

Charitable bequests are simple, flexible and easy to implement. This is why they are the most common of all legacy gifts.

You can add a charitable bequest to your estate plan with a short paragraph, and your attorney can update it easily if your circumstances change. You may use a bequest to:

- Take care of family first, then leave the remainder of your estate to charity.
- Leave a specific dollar amount, percentage of your estate, or piece of property to charities that matter to you.
- Specify the purpose you wish your legacy gift to serve — like supporting research at a hospital, renovations at your church, or education programs at an arts organization.
- Create recognition for yourself, your family or a loved one.

… FOR YOU AND YOUR FAMILY

Set up a Donor Advised Fund.

Donor Advised Funds (DAFs) are charitable giving accounts at financial institutions like Vanguard or community foundations like the Greater Kansas City Community Foundation. **Donor Advised Funds are simple and inexpensive to set up.** Here's how they work:

- You establish your DAF with an initial contribution (as little as $5,000).
- Everything you contribute to the DAF is tax-deductible*, including cash, stock, real estate or other property.
- The managing institution invests the funds in your DAF to grow over time.
- You advise the managing institution to make distributions to charities you care about.
- You name successor advisors so your children, grandchildren or other loved ones can continue using your DAF to give charitably after your lifetime.
- You use your Donor Advised Fund to "bunch" contributions and save more on taxes (you can learn more about "bunching on page 4).

**You cannot make a Qualified Charitable Distribution from an IRA to a DAF (see page 4).*

Name charities as beneficiaries of your insurance policy or other investment accounts.

Just like with your IRA or 401(k), **you can designate charities as beneficiaries of your life insurance policy or other investment accounts**.

Beneficiary designations are simple to set up and can often be adjusted without added legal expense. Plus, you can choose to name charities as secondary beneficiaries of your policy or account, passing funds along to the charities only if you outlive your primary beneficiary (frequently a spouse or other loved one).

And if you have a life insurance policy you no longer need because your family is financially secure, you may be able to donate it to charity outright and secure a sizeable tax deduction.

The Kansas City Symphony does not render legal or tax advice. Please consult your advisor to make sure any gift you are considering is right for you.

SIMPLE WAYS TO HAVE A GREATER IMPACT TODAY

Make your charitable contributions directly from your traditional IRA.

After you turn 70½, the IRS requires you to withdraw a minimum amount (a Required Minimum Distribution or RMD) from your traditional IRA **even if you don't need it**. The money you receive is taxable as income and may increase your overall tax rate by moving you into a higher bracket. **This is why when you're 70½ or older, making donations directly from your IRA is one of the best ways to give.** Here's how it works:

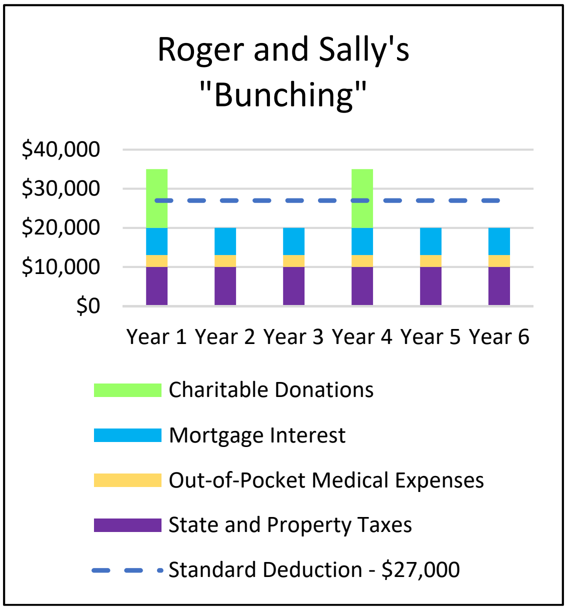
- You direct your IRA custodian to send all or a part of your RMD (up to $100,000 annually) directly to one or more charities. This is called a Qualified Charitable Distribution or QCD.
- Every dollar of your QCD supports a cause you care about — none of it gets taxed.
- Your QCD reduces your gross income, keeping you in a lower tax bracket.

** If your retirement funds are in another type of account such as a 401(k), you must transfer them to a traditional IRA before making QCDs. And you cannot make a QCD to a Donor Advised Fund.*

"Bunch" your charitable contributions.

When you "bunch" your contributions, **you make multiple years of gifts at once, surpassing the new Standard Deduction, itemizing and saving money on taxes.** Here's how it works:

Roger and Sally are 66 years old. They give $5,000 to charity each year, splitting their support between a church, a children's hospital, and a local symphony. They also pay $20,000 a year in out-of-pocket medical expenses, property and state income taxes and mortgage interest. The new 2019 Standard Deduction for a married couple filing jointly is $27,000. With only $25,000 in qualified deductions, Roger and Sally cannot itemize.



Roger and Sally decide to "bunch" their charitable contributions so they can itemize and pay less in taxes. They give $15,000 to their church, children's hospital and local symphony in 2019 to cover three years of contributions. Together with their $20,000 in other deductible expenses, they now have $35,000 in deductions — enough to itemize and reduce their income by an additional $8,000 beyond the Standard Deduction every three years.

"Bunching" is a great strategy if you have a Donor Advised Fund or you are younger than 70½.

KANSAS CITY SYMPHONY