

PLANNED GIVING IDEAS THAT YOU CAN PUT IN PLACE WITHOUT YOUR ATTORNEY'S HELP

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This may sound like a strange piece to be written by an attorney -- especially an attorney who makes a good part of his living preparing Wills, trusts and other estate planning documents.

But as someone dedicated to encouraging planned giving, I am interested in making it as easy as possible for donors to make gifts at death to their favorite charities.

While multi-million dollar gifts are wonderful, many small (and not so small) charitable organizations owe their survival to the \$5,000 and \$10,000 gifts they receive from ordinary people when those folks die.

Here are a few very simple ways that you, as an Ohio resident, can help your favorite charity at your death. Most of these require little or no involvement from your lawyer:

1. **Transfer on Death Automobile Title.** Go to the Auto Title Bureau and ask them to re-issue your auto title with a Transfer on Death ("TOD") endorsement in favor of your favorite charity. This will not affect your current ownership of the vehicle. It will not change anything that you need to do with your automobile insurer.

The only result of this change is that the automobile will pass to the charity when you die, in a manner that is simpler and much less expensive to implement than if you were to leave the vehicle to the charity in your Will.

2. **Payable on Death Bank Account Designation.** Go to your bank and ask them to put a notation on your bank account (or certificate of deposit) designating that it is to be payable on death ("POD") to your favorite charity at your death. As with the TOD auto title, there is no change in your ownership, control or benefit from this account when you are alive. The POD designation operates only when you have died and it causes whatever funds are in that account to pass to the charity at your death.
3. **Transfer on Death Real Estate Affidavit.** The law permits you to record an affidavit providing that real estate owned by you will pass at your death to your favorite charity. You do not need to prepare or record a new Deed. All you need to do is to have a Transfer on Death Affidavit prepared, and to have it filed with the Recorder's Office in the County where you own the real estate.

This is not a complex document, but you may benefit from hiring an attorney for purposes of preparing the Affidavit and getting it recorded. The cost should be fairly modest.

4. **Transfer on Death Brokerage or Investment Account.** By placing a "TOD" designation on your brokerage or investment account, you can cause that account to be

paid over to one or more charities at your death. It is not necessary for the TOD designation to transfer all of the account solely to charity. You can designate a certain percentage of the account to pass in that fashion.

To set up the TOD endorsement, all you need to do is contact your investment advisor and provide the instructions regarding the change.

5. **Insurance Beneficiary Designation.** You can name one or more charities as the beneficiary or beneficiaries of part or all of the death benefit payable under an insurance policy.

For example, let's say you would like 10% of your \$100,000 life insurance policy to be paid to your favorite charity. To do this, all you need to do is obtain a change of beneficiary form from your insurance company. Designate the percentage that you would like to have go to that charity, as well as the percentages that you would like to go to other beneficiaries (who may or may not be charities).

6. **Designate One or More Charities as a Beneficiary or Beneficiaries of part of all of your Qualified Retirement Plan or your IRA.** Normally the assets held in an IRA or retirement plan will be subject to both income tax and estate taxes, but if you name one or more charities as a beneficiary or beneficiaries of a percentage of your plan (or all of it), the portion that will pass to the charity or charities as a result of being a beneficiary of your qualified retirement plan or your IRA will pass free of income or estate taxes.

This is the only way that you can transfer 100 cents of every dollar in a retirement plan without paying tax.

There are other ways to assist your favorite charity or charities that require more greater legal assistance. You can make a specific bequest to the organization in your Will, naming Your favorite charity to receive either a fixed sum of money or some percentage of your estate. Your attorney will be happy to assist you with that process.

Or, you can create a special purpose trust for the benefit of your favorite charity. This trust can take the form of a charitable remainder trust, or a charitable lead trust. The one that will work best for you will depend on your own estate planning needs (such as the need for liquidity and current income or the need to reduce the estate tax cost of transferring assets to children and grandchildren).

If receiving an income stream is important to you, you may be able to set up a charitable gift annuity for the benefit of Your favorite charity. When such an annuity is established, you will receive a fixed sum for the rest of your life, and the remainder will pass at your death to your favorite charity. In these days of limited financial returns on bank accounts and certificates of deposit, the cash flow associated with a charitable gift annuity can be very attractive.

No matter how you choose to help the charities of your choice at your death, you can be sure that your assistance will be greatly appreciated!

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