

INFORMATION SHEET ON LEGACY GIFTING

Note: The information presented here is for general purposes only, and is not intended as legal or tax advice. You should always consult your attorney or tax advisor before making a legacy gift. Also be aware this is not an exclusive list; there are other, less common options.

Leaving a bequest to Hokyoji in your Will

A bequest can be a specific dollar amount, or a percentage of your estate. In the past, if you already had a Will, this was usually done with a codicil, a simple document to amend an existing Will. This was a popular approach, as it kept one from having to retype an entire Will. These days, as there is usually a digital copy of a Will, it is often easier just to make a completely new Will, with Hokyoji added as a beneficiary. You would need to make sure you follow your state's rules regarding all legal requirements, such as witnesses and notarization. Here is some sample wording:

Specific amount, percentage, or property bequest:

I give, devise and bequeath to the Hokyoji Zen Practice Community (tax identification number 42-1497608), located at 2649 County 5, Eitzen MN 55931, for its general charitable purposes,

- a) ... the sum of \$_____.
- b) ... an amount equal to _____ % of my gross estate, as finally determined for federal estate tax purposes.
- c) ... a detailed description of the particular property you wish to gift.

Residual Bequest: (a bequest that is figured after all expenses and other beneficiaries have been paid):

I give, devise, and bequeath to the Hokyoji Zen Practice Community (tax identification number 42-1497608), located at 2649 County 5, Eitzen MN 55931, for its general charitable purposes, all the rest, residue, and remainder of my estate.

Restricted gifts: It is possible in a Will to restrict a bequest to a specific purpose at Hokyoji. In such a situation, you would replace the phrase "for its general charitable purposes" with a description of the particular purpose you want the gift used for. In the case of a restricted gift it is wise to include a clause that will enable your gift to be useful to Hokyoji if conditions change. Please consider adding the following language: "If at some future time, in the judgment of the Board of Directors of Hokyoji, it is no longer practicable to use the principal of this bequest for the purposes intended, the Board of Directors has the right to use the income or principal for whatever purpose they deem necessary and most closely in accord with the intent described."

Make Hokyoji a beneficiary in a retirement fund

An IRA or other tax-deferred retirement fund is taxable when passed along to anyone other than a spouse, so this has an added benefit that Hokyoji, as a tax-exempt organization, will not have to pay a tax on the gift, whereas if left to a relative, it would be subject to full income tax and possible estate taxes. When you use IRA assets for charitable giving, you can preserve less-heavily taxed assets for your heirs and thereby increase the amount you are able to give to both.

To make Hokyoji a beneficiary in a retirement fund, all you need is a change of beneficiary form, or a beneficiary designation form, from your retirement plan. Most financial institutions have these forms available on their website, and you can often complete the form online.

The following information will be needed:

Non-profit legal name: The Hokyoji Zen Practice Community

Address: 2649 County 5, Eitzen, MN 55932

Tax identification number: 42-1497608

Type of organization: Religious non-profit with 501(c)(3) status

It should be noted that if your life circumstances changed, this beneficiary designation can be changed or revoked at any time, through the same process of filling out a change in beneficiary form.

Make Hokyoji a beneficiary of a life insurance policy

Hokyoji can also be named as a sole or partial beneficiary of a life insurance policy. Although there is not the same tax savings as donating from an IRA, the process is just as simple. You would fill out a change of beneficiary form, or beneficiary designation form, from your life insurance company. You can choose a percentage of the policy or the entire amount. As with the IRA, if your life circumstances change, this beneficiary designation can be changed or revoked at any time.

Make a qualified charitable distribution (QCD)

At age 72, you are required to begin making yearly withdrawals from any IRAs you have (known as required minimum distributions, or RMDs.) These forced withdrawals are then added to your income to the year and hence subject to tax. However, any amount you gift to Hokyoji will not be considered part of your income for the year, even if you are not itemizing on your tax return. Starting at age 70 ½, one can begin making qualified charitable distributions as part of your withdrawals from your IRA.

To initiate a QCD, you will need to contact an administrator for your IRA, as each financial institution has its own process. . Also, the amount you can designate for a QCD varies depending on the IRA, and there can also be specific exceptions. You would need to get the detailed information from your IRA administrator.