



Gift of Qualified Retirement Plan Benefits and IRAs

A donor can provide an income tax benefit to his/her heirs by using his/her qualified retirement plan benefits or IRAs as the vehicle for making charitable gifts at death. For example, a donor planning to make a \$100,000 testamentary gift to Edgewood Children's Center may choose instead to leave \$100,000 of his or her IRA to Edgewood Children's Center at death. In this fashion, the donor's heirs would not be liable for income tax on any amount when the qualified retirement plan benefits or IRA proceeds are paid to Edgewood Children's Center. Edgewood Children's Center would likewise not be subject to income tax on the qualified retirement plan benefits or IRA proceeds, since it is a tax-exempt entity. The portion of the qualified retirement plan benefits or IRA proceeds which passes to Edgewood Children's Center will qualify fully for the unlimited estate tax charitable deduction. Income and estate tax advantages may also be obtained by designating a tax-exempt charitable remainder trust as beneficiary of all or a portion of an individual's qualified retirement plan or IRA benefits.

A planned gift qualifies you for ECC's Ann M. Perry Legacy Society.