

ESTATE PLANNING

PAWS in Wills and Trusts

Planned Giving

One may show compassion and concern for animals by making a planned gift to PAWS. With this type of giving, you may reduce or eliminate certain tax liabilities.

Please consult with your personal attorney or estate planner. Or, the following attorneys, as friends of PAWS will be happy to discuss any planned giving options.

Contacts:

Paul J. Willumstad, 719.543.3422

Dawn M. Mann, Forbush Legal Offices,PC, 719.440.9144

Shawn Yoxey, 719.543.7899

Bequests

Perhaps the most straightforward planned giving option is to make a bequest in your will. Regardless of your age or financial status, a will is essential to ensure that your property is distributed according to your wishes instead of the arbitrary laws of the state in which you live.

Bequests made through your will may take various forms:

- Specific Bequest: Directs a specific dollar gift of property to pass on to PAWS.
- Percentage Bequest: Designates a percentage of the total value of the estate as a gift to PAWS.
- Residual Bequest: Directs that PAWS receive the remainder of the estate, or a portion of the remainder, after all expenses and other bequests have been made.

A bequest to PAWS is not subject to Federal or estate taxes, and there's no limit on the organization's ability to provide care and protection for animals in future years.

Charitable Remainder Trusts

A Charitable Remainder Trust (CRT) is one of the more complex estate planning options but provides the donor greater flexibility. CRT's can be a very good choice for those who own significantly appreciated assets (such as rental property) and want to receive income for life. The donor transfers the asset to the trust, where it is sold, avoiding capital gains tax. The proceeds are invested with the donor or other beneficiary receiving payments for life or a set term. At the end of the trust's life, the remaining principal is gifted to PAWS.

To set up a Charitable Remainder Trust, please consult your attorney or estate planner.

Charitable Lead Trusts

This type of trust is opposite of the Charitable Remainder Trust. The donor agrees to give an asset to PAWS for a set number of years. At the end of the term, the asset is transferred to a specified family members at a reduced gift and estate tax rate. A Charitable Lead Trust can be set up during your lifetime or through your

estate plans. While the trust will not provide you with an immediate income tax deduction, you can exclude the trust's income from your own income, thereby reducing your taxes.

A Charitable Lead Trust may make sense for donors, who exceeded the annual limits on income tax deduction for charitable gifts. To set up a Charitable Lead Trust, please consult your attorney or estate planner.

Naming PAWS as a Beneficiary

If you have a life insurance policy that is no longer needed to provide for dependants, consider making PAWS the beneficiary. This may enable you to make a significant gift to PAWS without using any of your estate's capital. A further option is to make PAWS both the beneficiary and owner of a paid-up policy. Doing so will earn you an immediate tax deduction equal to the policy's cash value. Contact the policy's issuing agent for instructions.

Some assets, such as IRA's, Keogh Plans, and other qualified retirement plans, do not pass directly through your will and require you to name a beneficiary. Consider making PAWS a full or partial beneficiary. Such plans can be excellent choices for charitable gifting because they are taxed more heavily than other assets, sometimes greater than 60 percent. However, by making PAWS the beneficiary, the full value of the account will pass to PAWS to be used to benefit the animals.

A relatively easy planned giving option is to buy a Certificate of Deposit (CD) at your local bank and name PAWS as the beneficiary, payable on death. The CD can remain on deposit earning interest until the holder's death, and then PAWS would receive its value. Make sure the CD you buy automatically rolls over and maintains the beneficiary designation.

Gifts of Property/Real Estate

Gifts of appreciated property can be given to PAWS through a donor's will or living trust. The donor would receive an estate tax charitable deduction for the full value of the property, however, a qualified appraisal (obtained no earlier than 60 days before you make the gift) is necessary to substantiate your income tax deduction.

Gift Annuity Program

A PAWS Charitable Gift Annuity for life may be established with a minimum of \$5,000 and provides an immediate tax deduction (as well as lifetime income for the annuitant). Gift annuities may be a good option for donors age 65 or older.

Autos for Animals

The Autos for Animals Program accepts cars, trucks, camper trailers, tractors, motorcycles, boats, and even jet skis.

For assistance with a vehicle donation, please contact: Chris Comins, 719.251.8341

or

Capital Campaign Phone: 719.251.4024