



COLUMNS

PRACTICAL GIFT PLANNING NEWS AND IDEAS FOR FRIENDS OF WYOMING SEMINARY

APRIL 2019

Plan Today for Possibilities Tomorrow

Life can be complicated and once you feel you have it sorted out, it's apt to change. When you have so many complications in life, it's nice to find something that can be straightforward. Estate planning needn't be complex. Just take it step-by-step, as explained on Page 2, so you have a plan ready to provide for those important to you.

Make a difference

Your estate plans should reflect your ongoing desires for your heirs and the distribution of your property. An effective estate plan often revolves around a will. A will is important regardless of your wealth, marital status or age. Your will ensures that what you have goes to those you care about most.

In the process of making a will and other estate plans, many people find that including provisions for charitable interests is a meaningful experience. Charitable giving does not have to compete with providing for loved ones. There are many ways to include favorite charitable interests, like Wyoming Seminary,

in your plans after the needs of your family and friends are covered.

Start today

With the recent tax law changes, many individuals do not expect to owe estate taxes, so they are able to provide more for loved ones and their philanthropic interests.

Others are realizing that it may be wise to make their charitable gifts from retirement funds and leave other non-taxable assets to loved ones. Read about the special provision for funding charitable gifts directly from an individual retirement account (IRA) on Page 3.

If you don't have a will or estate plan in place, or due to changes in your life your plans need to be updated, don't delay. Keep reading for more information about the importance of planning, not just for you, but for your heirs and charitable interests. For more information, please return the enclosed card, call John Shafer at (570) 270-2140 or email him at jshafer@wyomingseminary.org.



Wyoming Seminary is an independent college preparatory private school and boarding school in Pennsylvania's Wyoming Valley.

INSIDE THIS ISSUE

It's Easier Than You Think • Making Tax-Free IRA Gifts to Wyoming Seminary



Preparation for college is Wyoming Seminary's primary mission, and Sem's comprehensive college guidance program is designed to help students find the college or university that is right for them.

It's Easier Than You Think

Most people realize the importance of planning for the future and are aware that state laws are no substitute for carefully deciding how they would like their property to one day be distributed.

The main document that most individuals need to fulfill their wishes is a well-written will. Before visiting an attorney, there are steps you can take to reduce the time and expense involved. Take a few moments to carefully list the "Four Ps" of estate planning:

People: List those for whom you would like to provide now or in the future. Your list might include relatives, friends or others. You may also wish to add your charitable interests, like Wyoming Seminary.

Property: Complete a list of all assets you now own or expect to own in the future. Subtract mortgages and other debts to arrive at your net worth. Also list all sources of income that may continue in the future.

Plans: Next, match the people in your life with the properties you wish them to receive. Pay special attention to timing as well as amounts, especially in the case

of younger heirs. You may wish to delay receipt of property for a period of time.

Planners: Make a list of people on whom you rely for advice, including your attorney, accountant, banker, life insurance professional, investment advisor or others.

The next step

You are now better prepared to meet with your attorney and review your list of people, property, plans and planners.

Completing your plans

After your attorney has drafted the documents necessary to achieve your goals and you have reviewed and approved them, you will be ready to sign the documents.

After signing, you will be given a copy. The original documents should be kept in a safe place, and you should advise those you trust of the location.

Keeping up to date

It is a good idea to review your will and other estate plans on a regular basis to be sure they reflect your current wishes.

SAMPLE BEQUEST LANGUAGE

If you are considering a bequest to Wyoming Seminary, the following language can be shared with your legal advisor for inclusion in your estate planning documents: "After fulfilling all other specific provisions, I give, devise and bequeath _____ % of the rest, residue and remainder of my estate (or \$ _____ if a specific amount) to Wyoming Seminary, (Tax ID # 24-0795509) currently having offices at 201 North Sprague Avenue, in Kingston, PA 18704-3593.

Making Tax-Free IRA Gifts to Wyoming Seminary

With the start of a new year, many are beginning to plan when and how they will use the amount they are required to withdraw each year from their IRA.

If you are age 70½ or older, there is a special provision that allows you to make charitable gifts directly from Individual Retirement Accounts (IRAs) using funds that might otherwise be taxed when withdrawn (up to a total of \$100,000 per individual per year; \$200,000 per couple with separate IRAs).

Since most funds withdrawn from IRAs are considered ordinary income, your total taxable income can be increased when you receive them, pushing you into a higher tax bracket. However, IRA distributions to charity won't be included in your taxable income. They also count towards all of part of your annual Required Minimum Distribution (RMD).

Here are some advantages of giving through your IRA:

- Some taxpayers are subject to limits on the amount of charitable gifts they can deduct. These limitations do not apply to direct IRA transfer gifts.
- By giving directly from your IRA, you won't increase your adjusted gross income and possibly subject your Social Security or other income to higher levels of taxation.

- You offset your RMD and avoid taxes on the extra income.

It's not too early

If you are interested in making an IRA gift this year, ask your IRA custodian for a form to arrange for a Qualified Charitable Distribution. For more information, contact us or your IRA administrator.



Our students are encouraged to strive for success in academics, athletics, STEM, fine arts and performing arts.

PLANNING POINTERS FOR 2019

- Have an estate plan, regardless of your net worth.
- You can leave an unlimited amount to your spouse tax free.
- Gifts to qualified charities may reduce or eliminate income tax, capital gains tax and/or estate tax.
- Making charitable gifts from retirement plans may result in extra tax savings.
- Careful planning can help you make charitable gifts without sacrificing the future security of your loved ones.
- You can honor someone special by making a memorial gift in your will or living trust.

An Estate Planning Checklist

If you already have estate plans in place, here is a checklist to help you see if your plans are up-to-date or if revisions might be in order.

Yes No

- 1. I have made a will, living trust or other appropriate estate planning document(s).
- 2. In these documents, I have provided for all my loved ones as I wish.
- 3. I have named an executor to handle the settlement of my estate.
- 4. In the event of my executor not being able to serve, I have named an alternate.
- 5. I have reviewed my beneficiary designations for any life insurance policies and retirement accounts.

Yes No

- 6. I have planned for incapacity.
- 7. I have made plans for the payment of any taxes that may be due.
- 8. My financial records and other important documents are easily accessible.
- 9. I have discussed my plans with my spouse and/or other loved ones.
- 10. I have included gifts to the charitable organizations I wish to remember.

If you answered “**no**” to any of these statements, you might need to revisit your plans and revise as necessary, so they reflect your wishes for the future. Contact us if we can help you with the charitable aspect of your plans.



For more information contact:

John H. Shafer '71
Vice President of Advancement
Wyoming Seminary
201 North Sprague Avenue
Kingston, PA 18704-3593
(570) 270-2140
jshafer@wyomingseminary.org