



The Jewish Federation
OF GREATER WASHINGTON

United Jewish
Endowment Fund

Gifts of Retirement Plan Assets



Retirement Plan Assets

Do you want to leave assets for your family members and make a lasting gift to benefit your Jewish community?

Then choose the most tax-effective gift for each by using your retirement plan assets.

At A Glance

- Increase value of gifts to family by using income-taxable assets to fulfill charitable bequests
- Create a legacy for the Jewish community. If your gift is over the minimum threshold amount for a named fund, you can direct your gift to areas of greatest need or choose an agency, field of interest or program to benefit from your generosity.

Retirement Assets and Estate Planning

One of the most costly assets to leave to your family can be an Individual Retirement Account (IRA) or qualified retirement plan (such as a 401(k) or 403(b) plan). Your estate will have to pay income taxes (called IRD, or income in respect of a decedent, in an estate) on retirement plan assets that you leave to family members. If you are subject to estate tax, the combination of estate taxes and income taxes payable at your death can deplete the value of the account by as much as 65%. Leaving retirement plan assets to the Endowment Fund and cash or other non-IRD assets to family

members can save your estate large tax bills, making your family legacy and your charitable legacy larger.

How Do I Make a Gift of Retirement Assets?

Through Your Estate Plan

You can designate the Endowment Fund as a full, partial, or contingent beneficiary of a retirement account. Your estate may get an estate tax charitable deduction for the gift to the Endowment Fund. More importantly, the IRD tax that your family would have paid on retirement account funds is eliminated completely. Check with your advisors about any potential impact your beneficiary designations may have on your required minimum distributions.

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Example

Following is an example of the tax implications of your choice of assets to leave to family and to charity. This approximate calculation assumes a 30% IRD (income) tax rate and 30% estate tax.

Retirement Assets To Family, Cash or Stock To Endowment Fund:	
Gift Amount to Family	\$100,000
IRD (Income) Tax	\$30,000
Estate Tax	\$30,000
Net to Family	\$40,000

Gift Amount to Charity	\$100,000
IRD (Income) Tax	\$0
Estate Tax	\$0
Net to Charity	\$100,000

Cash or Stock To Family, Retirement Assets To Endowment Fund:	
Gift Amount to Family	\$100,000
IRD (Income) Tax	\$0
Estate Tax	\$30,000
Net to Family	\$70,000

Gift Amount to Charity	\$100,000
IRD (Income) Tax	\$0
Estate Tax	\$0
Net to Charity	\$100,000

The United Jewish Endowment Fund of the Jewish Federation of Greater Washington strives to help our community provide an enriched Jewish life today and a vibrant Jewish tomorrow. The Endowment Fund connects philanthropists with opportunities to meet Jewish needs and *tikkun olam*—repairing the world. Together, we strengthen and advance Jewish life in the Greater Washington area and around the world.

The United Jewish Endowment Fund of The Jewish Federation of Greater Washington

- Generates permanent funds to support the work of our Jewish Federation family of agencies and beyond to the Greater Washington community;
- Catalyzes diverse funding sources to leverage our ability to meet Jewish needs and effect change in the broader community;
- Awards seed money to new and innovative initiatives for enriching Jewish life and for *tikkun olam*; and
- Furnishes funds for unanticipated and emergency needs locally and overseas.

The United Jewish Endowment Fund's Legacy Society recognizes those individuals who create a permanent fund of at least \$10,000 to sustain the vitality and strength of our Jewish community. If you establish a fund of \$200,000 or more, you will become a member of the national Star of David Society of the Jewish Federations of North America.

Contributions to the United Jewish Endowment Fund are tax deductible to the full extent the law allows.

This material is not intended to provide professional or legal advice. Please consult your advisors for professional advice.

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