



# important



American  
Heart  
Association

American  
Stroke  
Association®



## The American Heart Association

The American Heart Association is the nation's oldest and largest voluntary organization dedicated to fighting heart disease and stroke. Your generous contributions help us make an impact on countless lives across the country. With your help, we're able to provide public health education, science-based treatment guidelines for healthcare professionals, and advocate for changes to protect and improve the health of your community. Throughout the years, we have also funded 13 Nobel Prize winners and many lifesaving research advances with your support.

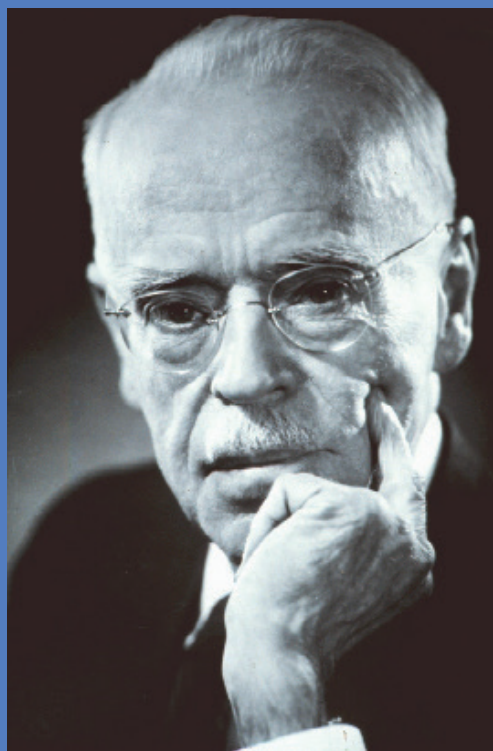
## The Paul Dudley White Legacy Society

Membership in the Paul Dudley White Legacy Society is reserved for those who have included the American Heart Association in their will or other estate plans. In addition to special recognition, there are numerous benefits to becoming a society member.

If you have an interest in joining a society of like-minded individuals who support our cause, please contact your local Charitable Estate Planning representative at **888-227-5242** or visit **[heart.org/pauldudleywhite](https://heart.org/pauldudleywhite)** to learn more.

## A PIONEERING VISION

Dr. Paul Dudley White was one of six cardiologists who founded the American Heart Association in 1924, eventually becoming president in 1940. Dr. White described the early years as a time of “almost unbelievable ignorance” about heart disease. A forward thinker, Dr. White's vision spurred the association to emerge as the world's leader in heart research and education. His legacy lives on in the Paul Dudley White Legacy Society. Members help support vital progress in cardiovascular diseases and stroke research and education.



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## OUR MISSION

To build healthier lives, free of  
cardiovascular diseases and stroke.

That single purpose drives all we do.

The need for our work is beyond question.

# **DIRECT GIFTS**

Much of the funding for the American Heart Association comes from direct gifts, which means an asset is given to the organization for its immediate use or investment.

The association has funded some of the most important medical advances this century.

Over 80 cents of every dollar goes directly to programs and research.

We meet all 20 BBB standards for charitable accountability.

## **GIFTS OF CASH**

Gifts of cash are the most common way our friends support the American Heart Association and the American Stroke Association. Cash gifts are simple to make, and the funds are available for immediate use in the fight against heart disease and stroke.

Gifts of cash provide you with an income tax deduction for the full value of your gift. You can use your deduction for up to 60 percent of your adjusted gross income, and any unused portion of your deduction can be carried forward for up to five years. The resulting income tax savings reduces the net cost of your gift, while the association receives the full dollar amount of your gift.

You may elect to make a single immediate gift of cash, or establish a recurring gift in the form of a monthly, quarterly, or annual pledge. For additional information regarding pledge opportunities, please contact us at 888-227-5242.

## **SECURITIES**

Gifts of stock, bonds or mutual funds can be one of the most advantageous ways of making a direct gift, especially if the asset used to make the gift is one that has appreciated in value over time. There are two immediate benefits associated with making a gift using appreciated securities.

First, you receive an immediate tax deduction for the full fair market value of the securities on the date you transfer ownership to the association, provided you have owned the

asset(s) for at least one year. You can use your deduction for up to 30 percent of your adjusted gross income, and any unused portion of your deduction can be carried forward for up to five years.

Second, by transferring ownership of appreciated securities to the association outright, you bypass 100 percent of the capital gains tax which would apply if you liquidated the asset yourself. For this reason, it is imperative that transfer of ownership of appreciated securities to the association takes place prior to the sale of the asset(s).

A gift of securities is easy to make and usually requires nothing more than a call to your broker.

## PERSONAL PROPERTY

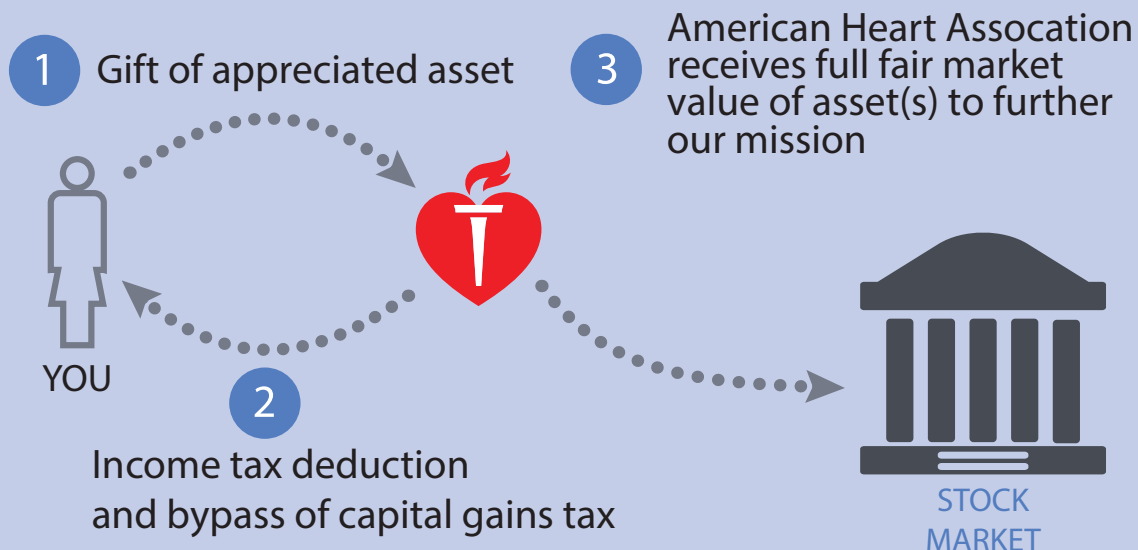
Collections, antiques, artwork and other types of personal property can also be used to make a direct gift to the association. In most cases, your charitable income tax deduction for a

gift of personal property is limited to your cost basis – that is, the amount you originally paid for the property.

The association can sell the property while bypassing 100 percent of any otherwise applicable capital gains tax. Ownership of the property must be transferred to the association prior to the sale.

## RETIREMENT PLANS

IRAs, 401ks and other qualified retirement plans can be attractive options for funding a direct gift to the association. This is partially due to the high tax burden placed on retirement plans as part of an estate, but there are immediate benefits to this type of gift as well. Under current law, individuals age 70½ and older can “rollover” up to \$100,000 per year to charity. You do not recognize the transfer as taxable income on your tax return, but the qualified distribution does count toward your required minimum distribution for the year.







## APPRECIATED STOCK

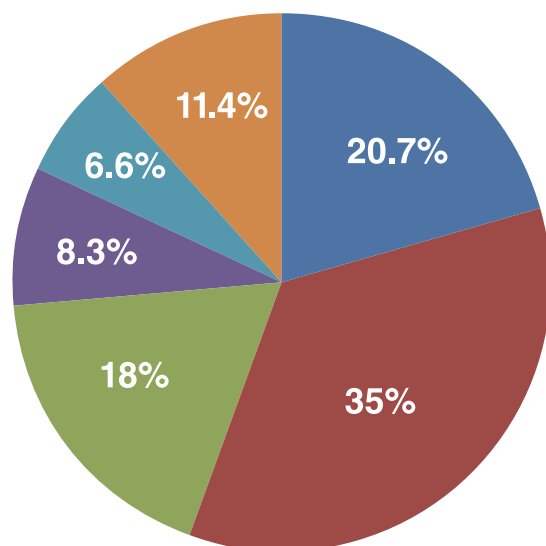
My husband took a stock option early in his career, and it had appreciated significantly. Donating a portion of the stock to the American Heart Association allowed us to bypass the capital gains tax on that portion, and the tax deduction helped offset the tax liability in the remaining stock.



## REAL ESTATE

I had several rental properties that I was ready to sell, but I held on to them for tax reasons. With help from the American Heart Association, I donated the property in exchange for a gift that will pay me an income for life. It also helped me avoid the capital gains tax liability from the increased value.

## How Gifts Help Support the Fight Against Heart Disease and Stroke



## DONOR ADVISED FUNDS

A Donor Advised Fund (DAF) is an investment account that allows donors to contribute as frequently as they like and then recommend grants to their favorite charities. The fund is established through a public charity, like the American Heart Association, so donors can receive an immediate tax benefit on their contributions and avoid the capital gains tax on appreciated assets held in the account.

The American Heart Association's Donor Advised Fund Program is sponsored by Renaissance Charitable Foundation (RCF). Establishing a fund through the association will allow you to work with your trusted investment advisor to manage the assets in your DAF, and to support multiple organizations while also advancing our mission. If you have not yet considered a donor advised fund, the association would be pleased to help you establish a fund.

If you already have a DAF with another organization, making a gift to the American Heart Association is simple. In the case of major fund-holders, such as Schwab or Fidelity Charitable, it can be done through our website

at [heart.org/donoradvisedfund](https://heart.org/donoradvisedfund). If your DAF is at a smaller institution, simply contact your provider directly with a request to make a grant to the American Heart Association.

## BUSINESS INTERESTS

Business owners or investors can realize substantial benefits through a gift to the American Heart Association of interest in the enterprise. The options and advantages associated with such a gift depend largely on how the business is organized.

You can contribute stock in a corporation (including closely-held and S-corporation stock) directly to the association. In return, you receive an immediate charitable income tax deduction for the appraised value of the donated shares. You also bypass 100 percent of the capital gains tax on any appreciation in the gifted shares.

The association then has the option to keep the donated shares if they pay high dividends, but most often the shares are offered back to the company for redemption or repurchase. Redeeming the shares can frequently allow the business to reduce or eliminate tax on accumulated earnings.

**FUNDING  
RESEARCH** is a  
cornerstone of  
our lifesaving  
mission.

We have  
invested over  
\$4 billion  
in research  
since 1949!

We currently  
fund more than  
2,000 scientists  
around the  
United States.

Every year,  
hundreds of  
research grants  
worth millions  
go unfunded.

# GIFTS THAT GIVE BACK

Many gift options can make an impact on heart health, but some can make an impact on your financial health as well with payments to you or your heirs.

We're changing lives with our heart healthy school programs.

Working with the USDA, we helped update school nutrition standards nationwide.

Our guidance made CPR education mandatory in schools.

Direct gifts are often the easiest way to give, and you've seen the benefits they can provide. But there are actually other gifts you can make that can provide you, your loved ones, or your heirs with additional income or other financial support.

Some of these gifts can be as easy as a direct gift, while others are more complicated and require professional assistance. As always, we can work with you and your professional advisors to determine the best option to meet your goals and objectives.

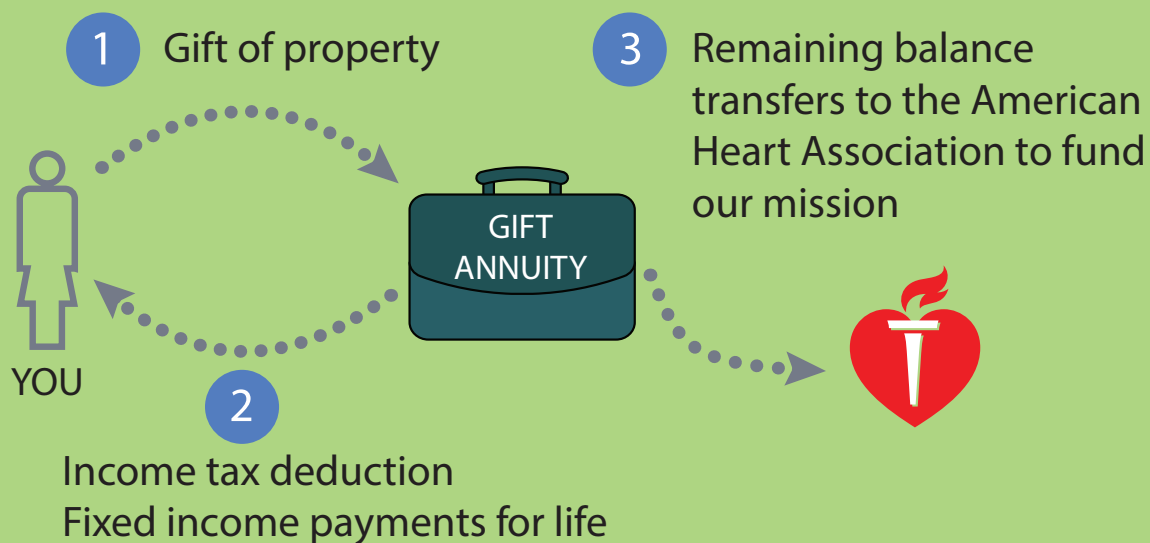
## CHARITABLE GIFT ANNUITIES (CGA)

A Charitable Gift Annuity is a simple arrangement whereby, in exchange for your gift, the American Heart Association agrees to pay you a fixed amount each year for as long as you live.

Your payout rate is determined by your age at the time you establish your gift. The amount you receive never changes, regardless of fluctuations in the stock market or interest rates. The payments you receive are also backed by the full assets of the American Heart Association.

In recent years, CGAs have become increasingly popular as interest rates for bank CDs, money market accounts, and other traditional, "safe" financial instruments have fallen dramatically. In addition to the payments you will receive, Charitable Gift Annuities provide you with an immediate tax deduction when you establish the gift annuity. A portion of each annual payment you receive is also tax-free. At the end of your life, whatever balance remains of your Charitable Gift Annuity goes to the association to help fund our lifesaving mission.





Charitable Gift Annuities with the American Heart Association can be funded using a variety of assets, including cash, securities, and real estate. If you would like to receive a complimentary, no-obligation personalized illustration of the exact benefits a Charitable Gift Annuity through the association can offer you, please call us at 888-227-5242.

### There are three basic ways that a CGA can be structured:

- 1. Single Life Gift Annuity:** You receive fixed annual payments from the association for life. At the end of your life, whatever remains of your original funding amount goes to the association to support our lifesaving work in the fight against heart disease and stroke.
- 2. Two Life Gift Annuity:** You and another person you designate receive fixed annual payments for life. The payout rate is calculated based on the ages of both annuitants at the time the CGA is established. Following the passing of the first annuitant, the same fixed annual payments to the second annuitant continue for as long as he or she lives. At that point, the balance of the original funding amount goes to the association to fund our programs and services.
- 3. Deferred Payment Gift Annuity:** You can establish a gift annuity now and choose a future date to begin receiving payments. Your payout rate and immediate charitable tax deduction will be determined by how long you elect to defer the receipt of payments, and your age at the time payments are scheduled to begin. Deferred Payment Gift Annuities can be established for either one or two lives, and offer an ideal solution to those looking for ways to supplement future retirement income. At the death of the annuitant(s), whatever remains of the original funding amount goes to the association to help eliminate the pain and loss associated with heart disease and stroke.

## CHARITABLE REMAINDER UNITRUST (CRUT)

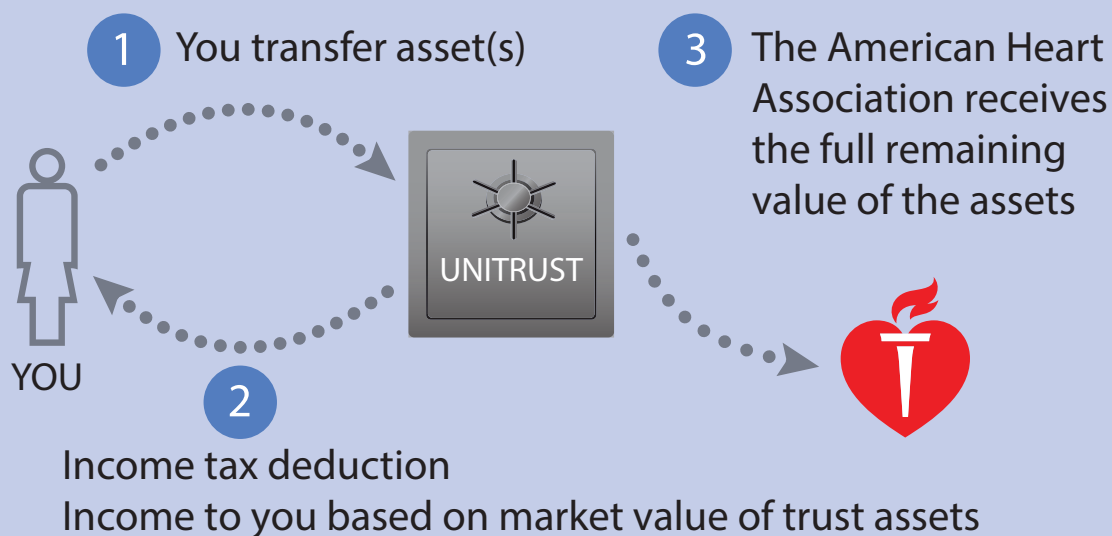
The Charitable Remainder Unitrust is a flexible financial planning tool that can be structured to meet a wide variety of personal, family and charitable objectives. You transfer assets (usually appreciated securities, although any assets may be used) into a trust and appoint a trustee to manage the assets. You also select the annual payout rate you would like to receive, as well as the trust's duration: one life, two lives or a specified term of years (the specified term of years cannot exceed 20 years).

There are significant tax advantages associated with establishing a Charitable Remainder Unitrust, including an immediate charitable income tax deduction when you transfer assets into the trust. If you fund the Unitrust with appreciated assets such as securities, you also avoid 100 percent of any capital gains tax. The assets must, however, be transferred to the Unitrust prior to being sold in order to bypass capital gains tax.

You receive an annual payout from the Unitrust as it is revalued each year, based on the payout rate you selected when you established the Unitrust. As the Unitrust appreciates in value, your annual payments increase. The annual payments you receive from the Unitrust are taxable, but growth in the value of the Unitrust is not.

You can add additional assets to the Unitrust over time, if you so choose. Each additional contribution provides you with an immediate charitable income tax deduction and, if the contributed assets have appreciated in value since you acquired them, you once again bypass 100 percent of the otherwise applicable capital gains tax.

When the Unitrust ends, the full remaining value of the assets contained within the trust goes to the charity/charities you selected. Additionally, the asset(s) used to fund the Charitable Remainder Unitrust are removed from your taxable estate, thereby reducing or eliminating any potential estate tax liability.



## **CHARITABLE REMAINDER ANNUITY TRUST (CRAT)**

The Charitable Remainder Annuity Trust works very much like the Charitable Remainder Unitrust. The key difference between the two is that with the Charitable Remainder Annuity Trust, the payments you receive are fixed and do not vary in amount as the value of the trust changes over time.

The percentage payout you select when you establish a Charitable Remainder Annuity Trust is applied to the value of the asset(s) used to fund the trust and you receive that fixed amount each year for the duration of the trust. As with the Charitable Remainder Unitrust, a Charitable Remainder Annuity Trust can be established for one or two lifetimes, or for a set term of years.

Most often, Charitable Remainder Annuity Trusts are funded with appreciated assets such as securities that have increased in value, although other assets may also be used. Funding the Charitable Remainder Annuity Trust with appreciated assets allows you to bypass 100 percent of the otherwise applicable capital gains tax.

You also receive an immediate income tax deduction when you establish your Charitable Remainder Annuity Trust.

When the trust ends, the charity/charities which you have named as beneficiaries receive the assets held by the trust.

## **CHARITABLE LEAD TRUST (CLT)**

The Charitable Lead Trust is often used to preserve family control of certain high-value assets, such as a family business.

In practical terms, the Charitable Lead Trust is a mirror-image of the Charitable Remainder Unitrust in that after the trust is funded, it makes annual payments directly to the charitable beneficiary or beneficiaries that you select.

At the end of the trust term, ownership of the asset(s) contained in the trust revert back either to you or other non-charitable beneficiaries selected by you, most often children or other heirs.

When you establish your Charitable Lead Trust, you receive an immediate tax deduction based on the present value of the future payments to charity. Similarly, gift/estate tax liability is limited to the present value of the future gift to children or other heirs, allowing for a tax-advantaged transfer of a substantial asset, usually from one generation of family to the next.



# DEFERRED GIVING

A gift to the American Heart Association through your will or other financial planning instrument is a wonderful way to leave a lasting personal legacy that will ensure that our lifesaving work continues beyond your lifetime.

We fund the most meritorious science anywhere to give us the greatest chance of saving lives EVERYWHERE.

Our roster includes more than 33,000 professional members from 110 countries.

A deferred gift refers to any charitable legacy you leave in your final plans. Including such a gift in your plans makes an enduring statement about your personal values for generations to come.

## CHARITABLE BEQUEST

A charitable bequest is simply a gift through your will. Including a gift to the American Heart Association in your will is a simple matter and does not require that your existing will be rewritten. All that is needed is a simple addition to your will called a codicil.

There are several types of charitable bequests. You can specify a dollar amount or a percentage of your estate to fund your bequest. You can also select a certain asset or assets such as stock, personal property, or real estate.

Other popular options include a residual bequest, which directs that whatever remains of your estate after all distributions to children and other heirs are made goes to the American Heart Association. A contingent bequest gift is made only in the event that a primary heir (or heirs) predeceases you.

## LIVING TRUST

A Revocable Living Trust (RLT) provides the opportunity to manage assets placed into the trust during your lifetime, and to provide instructions for the management and/or disposition of those assets after your lifetime.

The main function of both a will and a revocable living trust is to name heirs and beneficiaries for your property. The primary advantage to an RLT is that property transferred into the trust during life is not subject to probate at death.

You may elect to act as trustee of the RLT during your lifetime, directing the transfer of property into the trust as well as managing the trust assets. A successor trustee you choose takes over upon your disability or death.

A revocable living trust also provides a simple way to support causes you care about. You may design an RLT to provide for the distribution of a percent or a specific dollar amount to a charity or charities. An RLT can also provide for residual contributions to charity after specific distributions to other heirs have been made.

Because RLTs are fully revocable, assets placed

into the trust will be included in your estate. In cases involving large estates where protection from potential federal estate taxes is a primary objective, an irrevocable trust must be utilized.

## **BENEFICIARY DESIGNATIONS**

Beneficiary Designations are one of the easiest ways to arrange for the future transfer of certain types of assets to heirs and/or charity. A simple form is all that is required, and there is never any cost. You may change your designation at any time, and assets transferred through a Beneficiary Designation are not subject to probate.

There are two types of Beneficiary Designations, and we can assist you in choosing the one that best fits your circumstances and objectives.

A Payable on Death (POD) Beneficiary Designation can be added to any of your bank accounts, CDs, or

even a retirement account to direct the distribution of assets upon your death.

If you wish to include any charity in your plans, using a beneficiary designation for your IRA or other qualified account is often the most tax-efficient method. It will also allow you to leave less-taxed assets for your loved ones.

A Transfer on Death (TOD) Beneficiary Designation is used to direct the distribution of investment accounts such as securities or mutual funds. Again, a simple form is all that is required, and a TOD Designation can be easily changed at any time. Some states even allow the transfer of real estate through a TOD Designation.

Although having a valid will in place is always recommended, in cases involving simple estates a series of Beneficiary Designations can eliminate the need for a will and thus avoid probate entirely.

# *Pay it Forward*

## **Bill and Doris Jaeger**

William (Bill) Jaeger's heart has abruptly stopped in cardiac arrest seven times. When his wife, Doris, tells his "heart story", her voice cracks when she speaks about her gratitude for his life and for his colleagues performing CPR for 45 minutes and administering five shocks that saved Bill after he collapsed while working as a pharmacist in a hospital. "They almost gave up on me," he says.

Bill received an internal defibrillator and pacemaker — and a sober notice from his doctor: "You're on borrowed time now."

Despite his health scare, Bill returned to work, and he continued going to work after the next two cardiac arrests. Then he had his fourth, sustaining the most physical damage. "After each cardiac arrest, it took longer to recover. He was moving slower, not able to do as much. Each one takes a toll on the heart." A fifth cardiac arrest led to a 13-hour cardiac ablation to correct Bill's heart rhythm.

Doctors informed Bill and Doris that their best option would be a heart transplant. Bill survived two more arrests before he finally got a call on Sept. 20, 2014 that a donor heart was available. Bill received the heart of a 30-year-old man that day, and as his new "heart journey" began,



he was determined to pay it forward. "I was given a second life," he says.

Retired, Bill and Doris are eager to accomplish as much community service as they can handle. They're active in their church and volunteer at local organizations.

Bill and Doris have also included a bequest to support the American Heart Association in their wills. By choosing to leave a bequest, the Jaegers can have a significant impact on an important cause without it costing them anything now.

"It's important to acknowledge how blessed we are to have talented doctors who can make miracles happen," Doris says. "But those miracles are the result of many! We wish to express our thanks to the American Heart Association for its funding and research...and most especially for organ donors and their families."



## LIFE INSURANCE

A gift of life insurance can be a cost-effective way to make a legacy gift. Many people own life insurance policies purchased to protect children who are now grown and on their own, or a spouse or other family member who is now deceased.

In order to maximize tax benefits from a gift of life insurance, the American Heart Association must become both the owner and beneficiary of the policy. If the policy is paid up, you receive an immediate charitable tax deduction for the replacement value or your cost basis in the policy, whichever is less.

If policy premiums are still being paid, you receive a charitable deduction for each premium you pay after the American Heart Association has been named both owner and beneficiary of the policy.



### BENEFICIARY DESIGNATION

With no living heirs, I've decided to leave the bulk of my estate to the American Heart Association. By making them the beneficiary on my bank and investment accounts, I can keep my estate out of probate and give more to an important cause.

### LIFE INSURANCE

I had a life insurance policy that was no longer needed since our children are grown and we are more comfortable financially than in the past. By giving the American Heart Association ownership of the policy, I was able to make a big impact at no current cost and receive a nice tax break as well.

# GIFTS OF REAL ESTATE

Donating real estate is a great way to further your philanthropic goals and provide valuable tax deductions with no current financial investment.

We fund more cardiovascular and stroke research than any U.S. organization other than the federal government.

Donations have helped fund lifesaving advancements like the artificial heart valve, cholesterol inhibiting drugs, and heart transplant capabilities.

Under the right circumstances, a gift involving real estate can be a particularly effective way to achieve personal, family and charitable objectives. Gifts of real estate ranging from a primary residence to a ranch, farm, commercial property, raw land, mineral rights, or even a vacation home can provide a variety of current and future benefits.

## OUTRIGHT GIFT

An outright gift of real estate transfers full ownership of the property to the American Heart Association immediately. The advantages of giving real estate to the association are similar to those associated with gifts of securities. You receive an immediate tax deduction for the fair market value of the property on the date ownership is transferred to the association.

If the property has appreciated, you also bypass 100 percent of the capital gains tax liability associated with the increase in value. Ownership of the property must be transferred to the association prior to the sale for the bypass of capital gains tax to apply.

## RETAINED LIFE ESTATE

A Retained Life Estate allows you the opportunity to make a gift of a farm or ranch, a vacation home, or even a primary residence to the association while retaining full use of the property for the rest of your lifetime.

In exchange for your irrevocable gift, you receive an immediate income tax deduction based on a percentage of the property's value. You continue living in or using the property for as long as you live. You continue to be responsible for property taxes and maintenance costs during your lifetime.

At the end of your lifetime, the American Heart Association assumes control of the property.

## **TOD/BEQUEST**

Giving real estate through your will, trust, or a TOD designation allows you to keep control of the property during your lifetime and offers an easy way to transfer it when it is no longer needed. While there are no immediate tax advantages, the property may be excluded from probate, and it may also prevent or reduce certain taxes and fees on your estate.

The laws regarding real estate transfers vary from state to state, and not all property is suitable for donation. It is important to consult a professional advisor and the recipient organization before making any bequest of real estate.

In some states, only a TOD is needed to transfer real estate upon the owner's death. A bequest is equally valid in all states, and can be achieved with a simple codicil in your will. With either method, be aware of any additional requirements in your state, such as affidavits of title transfer or special deed requirements.

## **REAL ESTATE GIFTS THAT PAY YOU**

Real estate may be used to fund a Charitable Gift Annuity. The American Heart Association will pay you, in exchange for your property, a fixed percentage of the value of

that property every year for the rest of your life.

As with any gift annuity, the payment you receive is based on your age at the time the gift is made and never changes.

In certain cases, real estate can also be used to fund a Charitable Remainder Trust. This will pay income to you at a rate you select while also bypassing 100 percent of the capital gains tax on your property. You also receive an immediate income tax deduction based on the payout rate selected and the anticipated duration of payments.

It is important to note that most CRTs funded with real estate are structured so that the donor will not begin receiving payments until the property has been liquidated by the trust and the proceeds reinvested to produce income.



# GIFTS THAT LAST FOREVER

For some, an endowment is the perfect way to make a gift last forever, leaving a permanent impact and caring legacy for generations to come.

We have supported legislation that ensures babies are screened for congenital heart defects in 45 states.

We have over 300,000 U.S. volunteers that advocate for healthier communities.

Our “Healthy Way to Grow” program has reached over 23,000 kids since its start in 2013.

## ENDOWMENT GIFTS

An endowment gift is special because it does much more than just allow your gift to last beyond your lifetime – it gives you the opportunity to make a gift that can truly last forever.

When you fund a charitable endowment, the amount of the gift you make is permanently reserved in an investment account. An endowment is similar to a trust in many ways, but with an endowment, the American Heart Association is responsible for managing the investment of your gift. The association then uses the interest earned on your initial gift to advance our critical mission. You may also establish a restricted endowment for a specific purpose to ensure that your priorities will receive funding for as long as possible or practical. There are opportunities for named endowments as well that establish a permanent tribute to you or a loved one.

A significant endowment gift is a great way to make your annual giving last forever, as the association will continue to receive funds regularly. It is also a great way to create a large, lasting gift over time. Once an endowment is established, you (or your friends, family, and others) may contribute to the fund at any time simply by naming it in their gift.

Endowments may be funded during your lifetime, as part of your estate plan, or both. Most people fund an endowment during their lifetime so they can see the benefits of their philanthropy first-hand. You may also wish to use your will, living trust, or other planning document to create a testamentary endowment after your lifetime. Since you can add assets to an endowment at any time, it is even possible to leave a testamentary gift to an existing endowment you established previously.

# *A healthy return* **Eugene Calman**



Eugene Calman knows the secret to living a long life – staying active. He serves on historical societies, the Lion’s Club and Mensa. He’s often in his garage, tinkering and restoring a 90-year-old circus calliope and his collection of antique cars or spending quality time with his three children and two grandchildren.

He also attributes his longevity to the American Heart Association. While training in the Navy in 1961, Eugene was

diagnosed with angina pectoris - pain or discomfort due to coronary heart disease. He had his first heart attack soon after in 1965.

Unfortunately, Eugene’s battles with heart disease were far from over, and he’s undergone multiple procedures including a quadruple bypass. “The American Heart Association has made remarkable improvements in the care they can give people with heart disease,” he says. “Open heart surgery wasn’t even possible in 1961, and now it’s commonplace. All these things have come along since I was initially diagnosed with heart disease.”

In addition to being an annual donor for over 55 years, Eugene recently increased his impact by establishing a deferred charitable gift annuity with the association. Eugene was able to make an immediate, significant impact in heart research and receive an income tax deduction at the same time. Eugene deferred his payments as a guarantee of future income, and, as a result, will receive a higher rate than with a traditional annuity.

“My main reason for giving is to support the association’s research,” Eugene says. “I want to help other people that suffer from heart disease.”

# DESIGNING A LEGACY

Regardless of your situation or circumstances, it is vital that you plan wisely for your own benefit and the benefit of those you love.

We train approximately 22 million in CPR annually, worldwide.

We advocate for policy issues that impact underserved populations.

We are THE largest voluntary organization fighting heart disease and stroke.

Whether or not your legacy includes a charitable gift, it is important to plan for the future for your friends, family, and loved ones. It doesn't matter if your estate is large or small, there are some simple planning steps that everyone should follow when establishing their plan for the future.

## STEP 1: Take Inventory of Your Assets

Creating an inventory of all available assets is a critical first step in planning. To avoid missing some frequently overlooked items, it is recommended to use a planning guide, such as the American Heart Association's *Will Planning Workbook*.

## STEP 2: Establish Goals and Objectives

Before considering how your assets should be distributed, it is important to determine your overall goals and objectives in relation to your estate. Some potential objectives include:

- Maximize the amount my heirs receive from my estate.
- Reduce or eliminate any tax obligations on my estate.
- Avoid capital gains tax on appreciated assets.
- Generate continuing income for a loved one.
- Avoid the high taxes levied against my retirement plan when passed to my heirs.
- Provide income or gradual distributions to children or grandchildren instead of leaving them an inheritance all at once.
- Make a lasting impact by including the American Heart Association or other charities in my estate plan.

## STEP 3: Meet with a professional to create or update your plan

The staff at the American Heart Association is pleased to help you or your professional advisor make sure your needs and goals are met. Without cost or obligation, our professional staff can:

- Inform you and your family about charitable estate planning concepts.
- Assist you in saving income, gift and estate taxes.
- Help you find an attorney with estate planning expertise.
- Help you define your current and future estate objectives.
- Demonstrate how a charitable gift can complement your current plans.
- Reveal tax-wise giving strategies that help your estate grow.

As you consider how you can create a meaningful legacy for yourself, your loved ones, and the world, we hope you will remember the impact you help the association make on a daily basis. If you would like more information about leaving a charitable legacy or you need any assistance in planning for the future, please call us at 888-227-5242.

## Finding the Right Fit

After meeting with a client who wanted to honor their father who had passed away from heart disease, Sasha Herzig worked with the American Heart Association to ensure her client's charitable bequest would be structured to have a lasting and impactful effect.

As a Trust Officer with Key Private Bank, Herzig fulfills her fiduciary responsibilities by providing advisory services to her clients and ensuring their estate plans meet their goals and objectives. "Many of our clients are very charitably driven, but they may not know where or how to direct gifts," Herzig said. "It is very important that we, as fiduciaries, work hand-in-hand with charitable organizations

and our clients when advising on legacy gift planning."

Herzig helps connect clients with the right charity by asking about their personal lives and passions for clues about what might be the right fit. In this case, a gift to the American Heart Association interested her clients the most.

Professional advisors like Herzig can explain the best assets for charitable donations depending on their individual situations. Often, people who set up estate gifts also receive tax benefits, but Herzig says there's usually more to the gift.

"A lot of people are charitably inclined throughout their lifetimes, and they wish to



continue this goodwill upon their demise as well," she said. "For me, giving back to your community is a great way to say 'thank you,' even if you're leaving only a small part of your estate. It's a gracious way to leave a lasting legacy. Working with clients and organizations on charitable giving plans is very rewarding and meaningful work."



# BENEFITS OF YOUR LEGACY

Gift Type	Support Charity	Current Income Tax Deduction	Bypass or Defer Capital Gains Tax	Reduce or Eliminate Potential Estate Tax	Receive Income	Additional Benefits
<b>Direct Contributions</b>						
Cash	✓	✓		✓		Immediate impact or use to fund other arrangements
Appreciated Securities	✓	✓	✓	✓		Immediate impact for pennies on the dollar
Personal Property	✓	✓	✓	✓		Immediate impact or charity can sell and bypass capital gains tax
Retirement Plans	✓	✓	✓	✓		Preserve lesser-taxed assets for heirs; avoid double taxation
Donor Advised Funds	✓	✓	✓	✓		Work with existing advisor; support multiple organizations
Business Interests	✓	✓	✓	✓		Immediate impact; no out-of-pocket cost
<b>Gifts That Give Back</b>						
Gift Annuities	✓	✓	✓	✓	✓	Simple income arrangement; one-life, two-life and deferred options
Charitable Annuity Trust	✓	✓	✓	✓	✓	Fixed payout; can add to trust; multiple beneficiaries
Charitable Remainder Unitrust	✓	✓	✓	✓	✓	Variable payout; can add to trust; multiple beneficiaries
Charitable Lead Trust	✓	✓	✓	✓		Immediate impact providing income to charity(ies); asset passes back to heirs
<b>Deferred Giving</b>						
Bequest (Gift by Will)	✓			✓		Flexible, simple and most popular planned gift option
Living Trust	✓			✓		Simple plan for avoiding probate
Beneficiary Designation	✓		✓	✓		Simple; avoids probate and some taxes
Life Insurance	✓	✓		✓		Used as current gift, future contribution or wealth replacement
<b>Real Estate</b>						
Outright Gifts	✓	✓	✓	✓		Immediate impact for pennies on the dollar
Retained Life Estate	✓	✓	✓	✓		Immediate tax benefit for deferred gift
TOD / Bequest	✓		✓	✓		Simple; avoids probate
Income Arrangements	✓	✓	✓	✓	✓	Pays income in exchange for the gift; multiple options
<b>Permanent Gifts</b>						
Endowment	✓	✓	✓	✓		Makes a big impact; lasts forever



Jeanean Bryant lives her life to make an impact. She is a mentor and advisor to high school students, she is active in her community, and she is a CPR instructor. In all of her endeavors, Jeanean wears a red dress lapel pin daily in honor of her mother.

Jeanean lost her mother in a tragic accident, but it was another accident years earlier that led to Jeanean's affinity for the American Heart Association. A car accident left her mother in need of heart valve replacement surgery. At first, a pig valve was

inserted, and, later, a mechanical valve that was able to extend her life.

When designing her legacy, Jeanean knew she wanted to extend her advocacy and volunteer work by including the association in some way. Ultimately, naming the association as beneficiary of her life insurance made the most sense.

Her wish is that the proceeds be used to teach young people how to live a healthy lifestyle, creating a legacy of health and hope that will create an impact well beyond her lifetime.

## INCREASE YOUR IMPACT TODAY!

The legacy you leave is a very personal and private matter. Only you and your professional advisor can determine the right giving vehicle for your personal circumstances.

A well-crafted estate plan is like a financial road map for those we leave behind. It guides your loved ones with basic information about how you'd like your property and assets to be handled. It's also a way to ensure that your legacy lives on by providing for your family, while continuing to support the causes that are important to you.

Our American Heart Association staff would like to help you achieve your financial and charitable goals. All information we discuss is strictly confidential and will not be shared.

We'd appreciate the opportunity to review these materials with you and answer any questions you may have.

As a loyal friend to the American Heart Association, we appreciate your continued generosity and support. Thank you!

Charitable Estate Planning Division  
888-227-5242 or email us at [plannedgiving@heart.org](mailto:plannedgiving@heart.org)





## **NATIONAL CENTER**

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