PLANNING YOUR ESTATE

Bequests. A bequest is a gift of any amount made to Mercy Care Foundation in your Will. You may include a charitable bequest when you execute a new Will, or you can add it to an existing Will through a codicil. Please see the information sheet on Estate Planning for specific information.

- A specific bequest states a specific amount or specific asset. It may be a gift of cash, securities, real estate, or tangible personal property.
  Example: I give [the sum of ______________ Dollars ($_________)] to Mercy Care Foundation (Tax ID# 58-1448522), located in Atlanta, GA. These funds shall be used for the unrestricted needs of the entities served by Mercy Care Foundation.

- Names Mercy Care Foundation to receive all or a percentage of the remainder of the estate after specific bequests have been fulfilled.
  Example: I give [____ percent] or [the remainder] of my residual estate to the Mercy Care Foundation (Tax ID# 58-1448522) for the unrestricted needs of the entities served by Mercy Care Foundation.

- Takes effect only if all primary beneficiaries named in the will predecease you. Declaring Mercy Care Foundation a contingent beneficiary can prevent the property from going to the state if there are no heirs.
  Example: If [name of beneficiary] predeceases me, I give such property to the Mercy Care Foundation (Tax ID# 58-1448522) for the unrestricted needs of the entities served by Mercy Care Foundation.

Retirement Plan Assets. Retirement plan assets are a great source of retirement income, but not always a good choice for making gifts to children and grandchildren. You may consider using these assets to make a meaningful gift that will support the Mercy Care Foundation well into the future. You can make a significant gift to MCF, and because of the estate and income tax treatment of retirement plan assets, the "cost" of the gift to your estate and heirs is often relatively small.

Naming Mercy Care Foundation as a beneficiary of your retirement plan account is one of the easiest ways to make a planned gift, and in many ways is similar to making a bequest. Simply call your plan administrator and request a Change of Beneficiary form. In the beneficiary section, list 'The Mercy Care Foundation, Inc.' (Tax ID Number: 58-1448522) as the primary beneficiary for all or a portion of the account. Then return the form to your plan administrator and send a copy to us for our records.

Charitable Remainder Trust. A charitable remainder trust allows you to direct part or all of your estate by putting it into a trust, with income to be paid to one or more beneficiaries. Upon the death of the surviving beneficiary, the principal will be transferred to Mercy Care Foundation to be used as you designate. A testamentary trust is particularly attractive to someone who wishes to provide income for a spouse or other relative but wants the remainder to come to Mercy Care Foundation. In addition, this type of gift frequently produces tax advantages.

Retirement Plan Assets and Testamentary Charitable Remainder Trusts
Charitable remainder trusts provide income to one or more beneficiaries for life with the remainder interest going to charity upon the death of the income beneficiaries. A great way to fund a charitable remainder trust is with retirement plan assets owned at the time of death.

The decedent's estate receives an estate tax deduction for the present value of the Foundation's interest in the retirement plan assets. The trust itself is tax-exempt so no income taxes will be due when the retirement plan assets are received by the Trustee. A charitable remainder trust funded with retirement plan assets is a great way to reduce estate taxes, provide a lifetime income stream to one or more beneficiaries, and to make a charitable gift—all at the same time. When the trust terminates, the remaining assets will be given to Mercy Care Foundation.

Charitable Gift Annuity
A charitable gift annuity is a contract between you and Mercy Care Foundation. This contract allows you to make a generous gift to MCF, while providing a guaranteed income stream to you, or to you and another person for life. At the death of the final income beneficiary, the residual passes to the Foundation to be used for the purpose you designate.

In addition to the satisfaction you'll feel in providing for the future of Mercy Care Foundation, there are numerous financial and tax benefits:

- Guaranteed annual income–in most cases, part of each annuity payment is a tax free return of principal, increasing each payment's after tax value.
- Immediate income tax charitable deduction for a portion of the transfer that represents a future gift to the Foundation (often 30 to 50 percent of the value of the annuity).
- Reduction of capital gains tax, if funded with appreciated assets.
- Removal of the asset from your estate for federal estate tax and probate fee calculations.

Life Insurance. Gifts of life insurance enable donors to make use of an asset they may no longer need. The most common type of life insurance gift is an existing policy that is currently in force and paid up. The donor names Mercy Care Foundation owner and beneficiary. The benefits to the donor are in both gift and estate tax considerations. If the gift policy is not paid up, later premium payments are also deductible for tax purposes.

Documentation. In order to recognize you as a member of the Lula Cox McWhorter Society, we request that provide us with some simple documentation of the provision in your will or living trust. That documentation might consist of a letter or a copy of the portion of your estate document that refers to your designation to Mercy Care Foundation.

Recognition. All donors who have included Mercy Care Foundation in their estate plans will be recognized as members of The Lula Cox McWhorter Society. If a donor wishes to remain anonymous, he/she may do so.

Please Note. *This information is not intended to be considered legal or tax advice. For advice regarding all matters associated with charitable giving, please consult an attorney and/or a professional tax advisor.*