

## GIVING TO FOREVER PAWS

There are many ways to support Forever Paws Animal Shelter. Being a charitable organization, there exists a full range of gift planning options available to those who wish to give in order to support us and help to continue our mission. While we will mention a few, we strongly suggest that you discuss the nature and extent of your estate, and your plans for giving, with your attorney, accountant, financial or other estate planning advisor. In this way you can be assured your intention is clearly stated and carried out, and in the most tax-wise or beneficial way. If you do not currently have such a professional to assist you, or for more information on how you can give to Forever Paws, feel free to contact Attorney Steve Pereira at Pereira Law Offices (508) 675-1188.

### Where to Start:

While Forever Paws looks forward to receiving present donations from all its supporters, often times potential contributors find they can provide more support through various planning options. Before making a decision on what may be the best way to help our cause, you are urged to consult with an estate planning attorney to discuss the myriad of giving devices now available.

The following are some of the ideas that may be of interest to you.

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### Bequests by a Will or Revocable Trust

In some instances people feel they would like to contribute to Forever Paws but are simply not in a financial position to do so presently. In those cases, you may be in a better position to leave a charitable bequest to Forever Paws. This can be accomplished in simple manner by naming Forever Paws as a beneficiary of such a bequest in your will or revocable trust.

The advantages of such bequests are that they typically delay the gift until some time in the future or upon your death. If contained in a will or revocable trust, such a bequest also allows you to change the amount of the bequest at any time should circumstances change. A further benefit is that these documents typically remain private, at least until the time of your death, if not beyond. Please also note that a bequest from a will or a trust distribution made to Forever Paws Animal Shelter, Inc. upon your death is fully deductible for federal estate tax and most state death tax purposes.

When making such a bequest in your will or trust, we suggest using the following, or similar language:

"I give to Forever Paws Animal Shelter, Inc., a Massachusetts 501(c)(3) charitable corporation, with a principal place of business at 300, Linwood Street, Fall River, Massachusetts 02721, the sum of (\$ ) dollars to be used for its general purposes as may be determined by the governing body of the corporation."

Or, if you prefer the bequest for specific purposes, such as food or medical care for the animals, veterinary bills, payment of shelter costs, an endowment intended for perpetual assistance, etc., please list same. In such instances, we do ask that you add appropriate charitable language to protect the integrity of your bequest. Such a special purposes bequest might read as follows:

"I give/devise/bequeath to Forever Paws Animal Shelter, Inc., a Massachusetts 501(c)(3) charitable corporation, with a principal place of business at 300, Linwood Street, Fall River, Massachusetts 02721, the sum of (\$ ) dollars to be used specifically for medical care for the animal population. If at any time in the judgment of the Directors of Forever Paws Animal Shelter, Inc. it is impossible or impracticable to carry out exactly the designated purpose, they shall determine an alternative charitable purpose as near as possible to the designated purpose."

Such bequests need not be limited to specific amounts. You may also refer to fractions, percentages, or remainders of your estate that you wish to pass to Forever Paws.

We strongly suggest that you discuss same with your attorney, accountant, financial or other estate planning advisor so that your intention is clearly stated and carried out. If you do not have one, or for more information on how you can give to Forever Paws, contact Attorney Steve Pereira at Pereira Law Offices (508) 675-1188.

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Gifts of Life Insurance, Retirement Funds, Annuities, Investments & Accounts

There are other ways in which you can delay your intended contributions to Forever Paws until the time of your death. While most of your assets may pass to your named beneficiaries through your will or trust, other assets pass outside

of your will through the separate designation of beneficiaries. Support for our cause can be accomplished by naming Forever Paws Animal Shelter, Inc. as a beneficiary of life insurance proceeds, IRA and retirement plans, investment and/or bank accounts.

**Life Insurance** - Providing a gift to Forever Paws, or any charity, through insurance proceeds has long been a popular method of giving. However, insurance proceeds are typically paid to beneficiaries who have been pre-selected by the owner of the policy. Therefore, in order to give such a gift to Forever Paws Animal Shelter, Inc., it is necessary that it be named as a beneficiary of the life insurance policy at the time of the insured's death. If Forever Paws is not currently named as beneficiary, you will have to contact your insurance company and obtain one of its "Change of Beneficiary" forms. Simply name "Forever Paws Animal Shelter, Inc." as a beneficiary and thereafter return the form to your insurance company.

**Retirement Funds** - Retirement funds, such as IRAs and 401(k) accounts often make up a part of an individual's estate. Like insurance policies, the funds in these accounts are typically paid to beneficiaries who have been pre-selected. But unlike life insurance proceeds, retirement funds are subject to income taxes to the beneficiaries, meaning they will only receive a portion of the funds once the taxes are paid. For that reason, retirement funds often make wonderful gifts to charitable organizations which are tax exempt. An organization like Forever Paws will receive the full amount of the fund, free from the payment of any income taxes. Additionally, your estate can escape any estate taxes that might otherwise be levied on the residue of your funds. If Forever Paws is not currently named as beneficiary on any of your retirement accounts, you will have to contact the administrator of the IRA, 401(k) or other retirement fund or plan and obtain one of its "Change of Beneficiary" forms. Simply name "Forever Paws Animal Shelter, Inc." as a beneficiary and thereafter return the form to the administrator.

**Annuities** - Similar to retirement funds, annuities grow income tax deferred, meaning that upon withdrawal, or payment of proceeds on death, the growth portion of the remainder of the asset is fully taxable. Therefore, like retirement funds, your beneficiary is responsible for paying the income tax due. And, for that same reason, like retirement funds, annuities also make wonderful gifts to charitable organizations which are tax exempt. If Forever Paws is not currently named as beneficiary on any of your annuities, contact the insurance company that has issued the annuity and obtain one of its "Change of Beneficiary" forms. Simply name "Forever Paws Animal Shelter, Inc." as a beneficiary, return the form to the company, and provide Forever Paws with a gift that is tax-free.

**Investments and Accounts**- other investments, such as stocks, bonds and mutual

funds are similar to bank accounts in that they are typically held in a person's name. While you can designate any of these assets to pass to a particular beneficiary through a will, did you know it is also possible to have the asset avoid probate and pass directly to the beneficiary you select? In most instances, all you need do is designate the asset as "Transferable on Death" or Payable on Death" to the beneficiary of your choice, and the asset, while remaining fully owned and controlled by you during your life, will be immediately available to the beneficiary upon your death.

We strongly suggest that you discuss same with your attorney, accountant, financial or other estate planning advisor so that your intention is clearly stated and carried out. If you do not have one, or for more information on how you can give to Forever Paws, contact Attorney Steve Pereira at Pereira Law Offices (508) 675-1188. More Planning Techniques - Providing Income to You or Your Beneficiaries as Part of the Gift

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Today there are various other estate planning devices and techniques that can accomplish more than simply providing a donation to the worthy mission of our shelter. While most of these plans are commonly used and ultimately result in a gift to the charity of one's choice, they also serve as an accepted way to provide lifetime benefits to the donor or some other person identified by the donor. Like all the methods we have discussed, the selection of any of these plans should occur only after consultation with your attorney, accountant, financial or other estate planning advisor, who can further explain all facets of each plan, each plan's particular benefits, and which plan most aptly serves your goals and desires.

Testamentary Gifts with Lifetime Income Benefits - Under such a plan, you prepare a will or a trust which will provide a bequest or distribution to Forever Paws, but only after it has first provided a lifetime income gift to your named beneficiary. Once the beneficiary has passed, the balance of the gift goes to Forever Paws. Since the gift comes by way of will or revocable trust, you are free to amend the amount of the gift at any time during your life should circumstances warrant. Upon your death, you have provided for both your heirs and forever Paws, and have done so with a gift that provides a charitable estate tax deduction.

Immediate or Deferred Charitable Gift Annuities - If you are more interested in income being paid during your lifetime, then an immediate or deferred charitable gift annuity may be an option. Under such a plan, an agreement is made whereby you make a donation of cash, stocks, bonds or other assets to Forever Paws. As part of the agreement Forever Paws pays you and/or someone else

you designate, beginning immediately or at some point in the future, income for life. When the beneficiaries pass and the agreement ends, the original gift passes to Forever Paws. Such a plan typically brings with it income tax and capital gains tax benefits, as well as entitlement to a steady flow of income.

Charitable Trusts - There currently exists three (3) common charitable trust planning devices that have become quite common depending on the donor's estate assets, desires and goals. Each works in a particular way to accomplish the intent of giving, while providing either income or assets back to the donor or his/her family.

A. Charitable Lead Trust - This trust will provide support for Forever Paws without gifting away the assets you wish to pass on to your beneficiaries some day. You contribute certain assets to a trust which provides income to forever paws for a certain number of years which you select. When the time period has passed, the trust terminates and the remaining assets go to you or other beneficiaries which you select. Income taxes, income tax deductions and gift/estate tax consequences will vary depending on whether you or your heirs ultimately receive the remaining assets.

B. Charitable Remainder Annuity Trust - This trust is funded by your gift of cash, stocks, bonds or, typically, other appreciated property. The trust will pay to you or beneficiaries you select a stated payment annually for life. When the trust ends, Forever Paws receives the remainder of the assets in the trust. In addition to having helped support Forever Paws while providing lifetime income to you or your beneficiaries, other benefits typically include income tax deductions for a portion of your contribution, and avoidance of capital gains tax on the appreciated assets you contribute.

C. Charitable Remainder Unitrust - Similar to the Charitable Remainder Annuity Trust, this trust is funded by your gift of cash, stocks, bonds or, typically, other appreciated property, and Forever Paws receives the remainder of the assets in the trust. While the trust will pay you or beneficiaries you select an annual payment for life, the income payments are not fixed, but rather they vary based on a fixed percentage of the fair market value of the trust assets. The amount of the payments is recalculated each year, meaning your payments increase as the trust assets do, but decrease when the trust assets lose value. Other benefits also include income tax deductions for a portion of your contribution, and avoidance of capital gains tax on the appreciated assets you contribute, as well as the ability to make additional gifts to the trust as your circumstances all to qualify for additional tax deductions.

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financial or other estate planning advisor so that your intention is clearly stated and carried out. If you do not have one, or for more information on how you can give to Forever Paws, contact Attorney Steve Pereira at Pereira Law Offices (508) 675-1188.

THE INFORMATION AND COMMENTS PROVIDED IN THESE MATERIALS ARE OFFERED NEITHER AS LEGAL NOR TAX ADVICE. COMMENTS PROVIDED AND POTENTIAL BENEFITS DISCUSSED MAY OR MAY NOT APPLY TO YOUR PARTICULAR SITUATION NOW OR IN THE FUTURE, AND MAY FURTHER BE AFFECTED BY CHANGES IN FEDERAL AND/OR STATE LAW. FOREVER PAWS ENCOURAGES ALL POTENTIAL DONORS TO DISCUSS THEIR PLANS TO CONTRIBUTE WITH A LEGAL, TAX, FINANCIAL OR ESTATE PLANNING ADVISOR OF THEIR CHOICE BEFORE MAKING ANY DECISION AS TO THE NATURE OR EXTENT OF ANY DONATION OR GIFT PLAN.

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