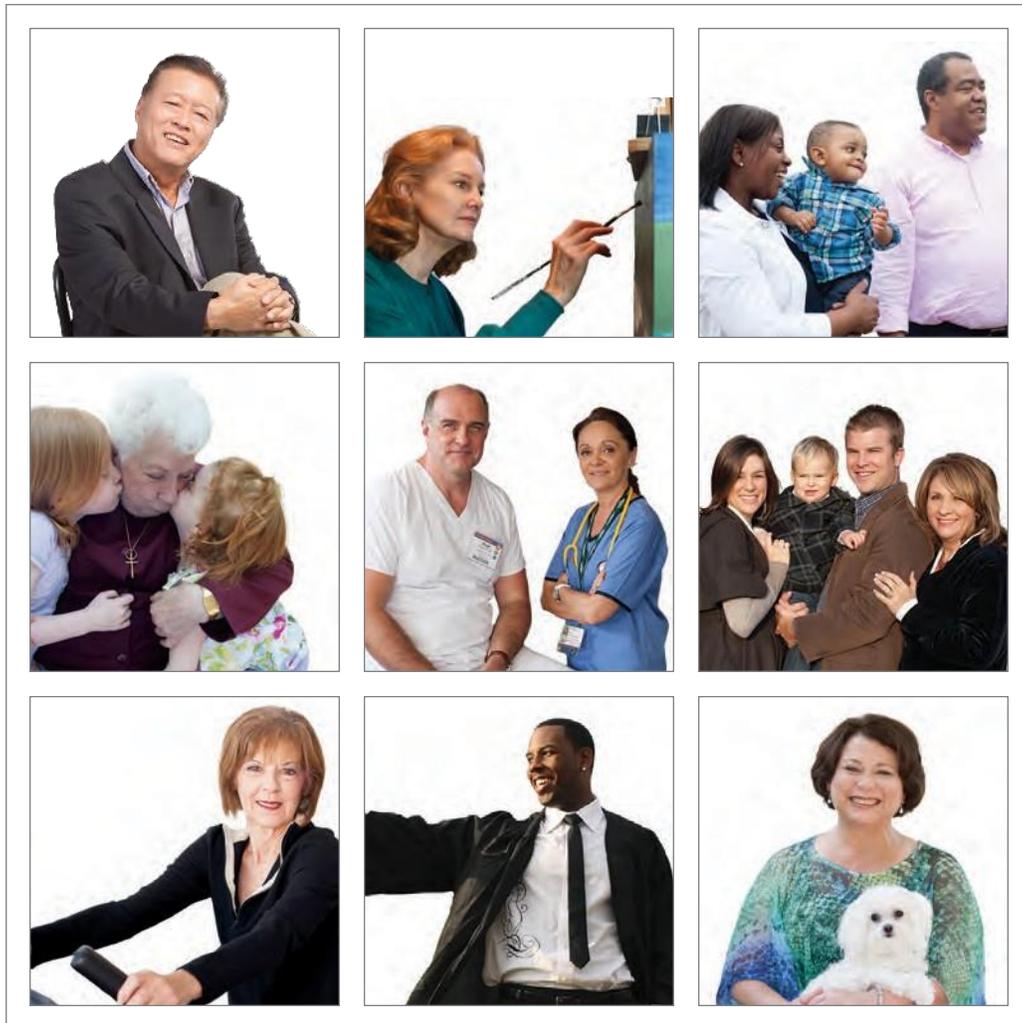


# A Guide to Planned Giving



# About CASA

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In 1977, a Seattle Superior Court Judge named David Soukup was concerned about trying to make decisions on behalf of abused and neglected children without enough information. He conceived the idea of appointing community volunteers to speak up for the best interests of these children in court. He made a request for volunteers; 50 citizens responded, and that was the start of the CASA movement.

Today, there are more than 50,000 advocates serving in more than 940 state and local program offices nationwide. CASA programs across the country are known by several different names, including Guardian ad Litem, Child Advocates and Voices for Children.

Since the inception of CASA advocacy, volunteers have helped well over 1,000,000 children find safe, permanent homes in which they can thrive.

## CASA of Kern County

CASA of Kern County began operation in the summer of 1994, lead by Judge Robert J. Anspach, attorney Teri Foley, mental health therapist Judy Newman and funded by Bakersfield Junior League, to serve as an independent voice for the best interest of dependent children- abused, neglected, and abandoned children living in protective care in Kern County, California. Our mission is to recruit, screen and train volunteers from communities throughout Kern County to serve as advocates in child protection proceedings. We also support and closely supervise the advocacy work of our volunteers throughout the duration of their assignments.

CASA of Kern County has recruited and trained 990 Advocates and have served 2,529 of Kern County's most vulnerable children.



# Dear Friend,

Are you looking for ways to support the causes you care about? Are you looking for ways to save on your taxes this year through charitable giving? Would you like to avoid capital gains tax on the sale of appreciated assets? Are you interested in ideas to help you plan and save for the future? If you answered “yes” to any of these questions, a planned gift can help you achieve your goals.

Planned giving provides many benefits. There are ways to increase your income now or in the future and save you money on taxes. With a planned gift, you can also create your legacy while furthering CASA of Kern County’s charitable mission.

The goal of this guide is to explain to you some of the best planned giving options and the benefits of giving to CASA. If you have questions about your specific assets, potential income or tax savings please contact us. We would be happy to provide you with a personal illustration and answer any questions you may have about charitable plans.

We are happy to help. Please let us know if we can be of assistance to you in reaching your goals.

Sincerely,

Amy Travis  
Executive Director  
CASA of Kern County



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## Why do I need a plan?

Failure to plan may result in accidental disinheritance. Accidental disinheritance occurs when you have no will or your will doesn't function properly. Because failure to plan means you risk harming those you love and subjecting your estate to needless tax, most people will need to make a plan for the future.

## What other considerations need to be made?

### *Who will be the guardian of my dependent children?*

Your child is considered a minor in most states until he or she reaches age 18. It is important to appoint a guardian, so that if you pass away, the guardian may take physical custody of and care for your minor children.

### *Who will have the power to manage my finances?*

If you are no longer able to manage your property or later wish to have someone else manage your property, a durable power of attorney will give the person you select the legal authority to buy, sell, and manage your property.

### *Who will make my healthcare decisions?*

A durable power of attorney for healthcare allows you to select a person who can assist your doctors in making healthcare decisions if you become unable to act on your own behalf.

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# What is Planned Giving?

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## Planned Giving

A way to leave assets to charity that provide current and future benefits.

### Common Types of Planned Gifts

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Life Estate Reserved (Gift of Remainder)	8
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# Bequest

A future gift to help your favorite charity. A bequest is one of the easiest ways for you to make a planned gift.

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## The Need

Many people want to give to charity but are unable to donate property during their lifetime. For example, you may have property that will be needed during life to cover living expenses or rising health care costs. You may benefit from donating this property through your estate.

## The Solution

You can retain ownership and use your property during your life while also benefiting CASA of Kern County by leaving the property to us when you pass away.

## The Benefits

**Gift to Charity**  
CASA of Kern County receives cash or property.

**Tax Deduction**  
The amount given to charity is not subject to federal estate tax.

**Flexible**  
You are able to use and control your property during your lifetime.

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## The Details

You can leave a gift to charity by including a bequest in your will or trust. Property that passes through a beneficiary designation (such as individual retirement accounts) can be left by designating CASA of Kern County as a beneficiary.

## Specific Asset Bequests

Many bequests transfer a specific item to a beneficiary.  
“I give my car to Joshua.”

## Specific Amount

Another common transfer via a will is the gift of a specific dollar amount. “I give \$1,000 to Sarah.”

## Bequest of a Percent of the Residue

A fractional amount or percent of what is left of the estate may be transferred to charity.  
“I give 50% of the residue of my estate to Ann.”

## Undivided Percentage of Asset Bequests

You may bequeath or devise an undivided percentage of a particular asset. “I give half of my home to Brian.”



# Sample Bequest Language

Below, we have listed some of the more common kinds of bequests, and some bequest language. We always recommend that you carefully review the terms of your will with a professional trained in handling trusts and estates.

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## Specific Bequest

A specific amount or percentage is one of the most popular types of charitable bequests. With such a bequest, you designate that CASA of Kern County receives a specific dollar amount, percentage of your estate, or a specific piece of property.

### *Language Example*

I give, devise and bequeath \_\_\_\_\_ (insert dollar amount, percentage of estate, or item of property to be donated) to CASA of Kern County, located in Bakersfield, California, for its general purpose.

## Residuary Bequest

A residuary bequest is used to give CASA of Kern County all or a portion of your property after all debts, taxes, expenses and other beneficiaries have been paid.

### *Language Example*

I give, devise and bequeath \_\_\_\_\_ (insert % amount) of all the rest, residue and remainder of my estate to CASA of Kern County, located in Bakersfield, California, for its general purpose.

## Restricted Designation (Specific or Residuary) Bequest

As many people elect to do, you may prefer to restrict your bequest for a specific purpose or designation at CASA of Kern County. A restricted bequest usually should be made in the broadest terms possible consistent with your interests, which guards against the possibility of the purpose of your bequest becoming obsolete.

### *Language Example*

I give, devise and bequeath \_\_\_\_\_ (insert dollar amount, item of property or % of residue) to CASA of Kern County, located in Bakersfield, California, to be used exclusively [insert restricted use language here - such as a specific program, project, operational expense, etc.].

## Contingency Gift

In anticipation of an unexpected occurrence, or if there should be certain other specific conditions that apply, a contingent bequest will ensure that property will pass to CASA of Kern County rather than to unintended beneficiaries.

### *Language Example*

If (name of beneficiary) does not survive me, or shall die during the administration of my estate, or as a result of a common disaster, then I give to CASA of Kern County, located in Bakersfield, California, all of the rest, residue, and remainder of my estate, to be used for its benefit.

# Charitable Remainder Trust

You transfer cash or property to a trust that pays income for your life or a term of years. The remainder goes to charity.

## The Need

You desire to change appreciated property that produces little or no income into a productive asset without paying capital gains tax on the sale of your property.

## The Solution

You contribute appreciated property to a Charitable Remainder Trust that will sell the property tax free and make payments for your lifetime or a specified term of years. The trust may pay income to multiple beneficiaries.

## The Benefits

**Bypass Gain**  
The trust sells your property tax free.

**Increased Income**  
The trust pays you a percentage of its value.

**Tax Deduction**  
You receive a current federal income tax deduction.

## The Details

You transfer cash or appreciated property to the CRT. The CRT is a tax-exempt trust that can sell the property without paying capital gains tax.

## Duration

A CRT can last for the lifetime of one or more beneficiaries or for a specified term of years.

## Annuity vs. Unitrust Payout

A Charitable Remainder Annuity Trust (CRAT) pays a fixed dollar amount each year. By contrast, a Charitable Remainder Unitrust (CRUT) pays an amount equal to a percentage of the trust value at the beginning of each year.

## Taxation of Payouts

Most CRT payouts are taxed to you as ordinary income and/or capital gain.

## Payout Flexibility

A Unitrust offers flexible payout options. Check with us to see which option is right for you based on your assets and goals.



# Life Estate Reserved

You make a gift of your home or farm to charity and retain the right to use the property for your lifetime.

## The Need

You may desire to leave your home or farm to charity at death but would like a current tax benefit.

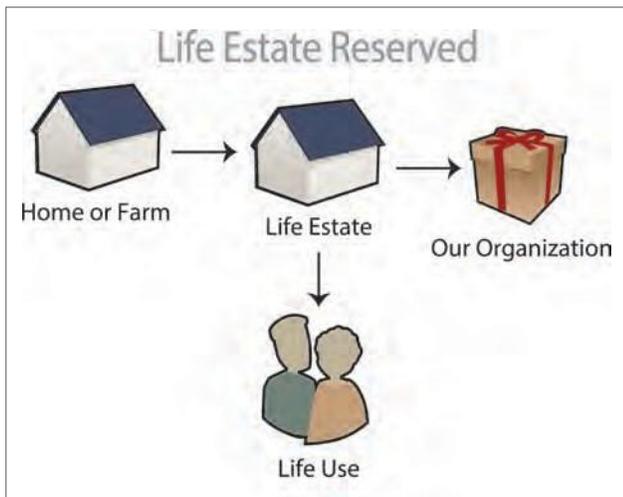
## The Solution

You can deed your home or farm to CASA of Kern County but keep the right to use the home or farm for your remaining lifetime.

## The Benefits

**Tax Deduction**  
You receive a current federal income tax deduction for the present value of the remainder interest in the home or farm.

**Preserves Lifetime Use**  
You are able to use and control the home or farm while alive.



## The Details

You execute a deed transferring your home or farm to CASA of Kern County. On the deed, you retain a "life estate" that grants you the right to use the home for life. You receive an income tax charitable deduction for your gift.

## Duration

The Life Estate typically lasts for your lifetime or the life of you and another person.

## MIT Agreement

You agree to be responsible for the maintenance, insurance and taxes while you remain living on the property.



# Retirement Assets

You leave all or part of your retirement assets to us when you pass away. Your children save on income tax.

## The Details

You make a bequest to CASA of Kern County of your retirement assets including your IRA, 401k, 403b, pension or other tax deferred plan.

## Leaving Your Retirement Assets to Us

Your retirement assets may be transferred to us by completing a beneficiary designation form provided by your plan administrator. If you designate us as beneficiary, we will benefit from the full value of your gift because your retirement assets will not be taxed at death.

## Leaving Your Retirement Assets for Income

Another option is to leave your retirement assets to a trust that pays income to one or more loved ones after you are gone. Please contact us to view an illustration with the benefits of this plan.

## The Need

If you give your retirement plan assets to your children, 60%-65% may be taxed. You want to make gifts to your family and CASA of Kern County and avoid taxing your heirs and estate.

## The Solution

You designate us as the beneficiary of your high-tax retirement plan assets and give your heirs your low-tax assets that step up in basis at death.

## The Benefits

### Tax Savings

Your family avoids

additional income tax.

Your estate enjoys estate

tax savings if you have a

taxable estate.

### Preserves Lifetime Use

You may continue to

take withdrawals from

your retirement accounts

during your life. You

benefit our mission with

the remaining funds when

you pass away.



# Bargain Sale

A charity purchases your property for less than fair market value or accepts a gift of your mortgaged property.

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## The Need

Many people desire to sell their property and also make a gift to charity.

## The Solution

CASA of Kern County can buy your property at a bargain price or agree to accept your property subject to a mortgage.

## The Benefits

### Immediate Benefits

You receive a cash payment or debt relief.

### Bypass Gain

You avoid capital gains tax on the part of the property that is a gift.

### Tax Deduction

You receive a current federal income tax deduction for the part of the property given to charity.

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## The Details

A bargain sale works just like any other sale except that the sale price is a bargain (less than the property is worth). You receive cash from the sale and a charitable deduction.

## Charitable Deduction

You receive a charitable deduction for the difference between the fair market value of the property transferred and the cash received in the bargain sale.

## Cash or Debt Relief

You can sell your property to CASA of Kern County and receive a cash payment or debt relief.

## Bargain Sale

You receive the cash or debt relief you desire, and CASA of Kern County receives a valuable property for a payment of less than the fair market value price. The difference between the sale price and the appraised value of the property is a gift you make to CASA.





**CASA**

Court Appointed Special Advocates  
**FOR CHILDREN**

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**KERN COUNTY**

This information is not intended as tax, legal, or financial advice.  
Gift results may vary, consult your personal financial advisor for  
information specific to your situation.