



Guide to Naming The Arc in Your Estate Plans

Respect. Dignity. Inclusion.

The Arc is there when the school bus stops coming!

Proudly serving adults with intellectual and developmental disabilities since 1976!

REQUIRED MINIMUM DISTRIBUTION (RMD) OPTIONS

Taxpayers who own an IRA and who are required to take RMD (Required Minimum Distributions having attained age 70 1/2) and have no need for the money, can designate The Arc as the recipient of their RMD. This designation can be up to \$100,000 each year. With this, no taxes are levied against the IRA owner and gifts may be deductible. This charitable option should be discussed with your Financial Advisor.

INTERESTED IN MAKING A GIFT OF CASH, SECURITIES, OR OTHER PROPERTY?

When stocks or property that have appreciated in value are sold, they are taxed to the owner. Instead of selling, these stocks or mutual funds can be donated to The Arc "in-kind," instead. When this is done, there is no tax to the owner, and if it is eligible to be itemized, the gift may also be tax-deductible.

You can give up to 20% more when you donate stock. Instead of selling a stock with a low cost basis, you can donate it directly to The Arc, avoiding paying up to 20% in capital gains tax. This is also a healthy rebalance of your portfolio.

Another option is to consider combining two or three year's worth of donations to qualify for itemizing deductions or to establish a donor-advised fund. This can be done via the new standard deduction on the 1040 form. Your financial advisor can best advise you on this process.

All considering these gifts should keep in mind that their CPA, accountant, attorney or financial advisor should be part of each of these decisions.

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thearcgw.org



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INTERESTED IN DESIGNATING A SPECIFIC DOLLAR AMOUNT, A SPECIFIC ASSET, OR A FIXED PERCENTAGE OF YOUR ESTATE?

It is an option to specify one of these go directly to The Arc in your estate plan. You may either choose a dollar amount to be left to The Arc (i.e. \$50,000), choose a property or asset (such as a home, land, etc.), or a percentage of your total estate (i.e. 5%). As always, please refer to your financial advisor to be sure this is in your best financial interest.

INTERESTED IN NAMING THE Arc AS A CONTINGENT BENEFICIARY?

Naming The Arc as a contingent beneficiary means that if the beneficiary of your IRA or life insurance policy predeceases the owner(s), The Arc will then be entitled to the assets. Without a contingent beneficiary, all assets would be divided according to the state law, so this ensures that your assets will go towards a cause you care about.

INTERESTED IN LEAVING RESIDUARY ESTATE TO THE Arc?

Residuary Estate refers to the balance of an estate after inheritances and expenses are split. For example, if after estate expenses you choose that two people are to receive a certain amount, you may also choose to specify that any money leftover will go towards The Arc. With the Arc as the beneficiary of the remaining balance, you ensure that your assets are going to your designated beneficiaries first and foremost, with the opportunity for charitable giving to occur with remaining funds/assets.

INTERESTED IN LEAVING A GIFT FROM YOUR IRA, LIFE INSURANCE POLICY, OR RETIREMENT PLAN TO THE Arc?

The Arc is able to be named as a beneficiary for all or part of these types of accounts. As always, please refer to your financial advisor to be sure this is in your best financial interest. It's important to note that QCD's can be made starting at age 70 1/2 and not necessarily having to wait until required minimum distribution age which is currently 73 and scheduled to increase to 75 in 2033.

A one-time use of a QCD to fund a split interest gift, like a charitable Gift Annuity, Charitable Remainder Annuity, or Charitable Remainder Unitrust. This is also indexed for inflation and the amount is \$53k for 2024. This option not only removes a lot of taxable income, but provides cash flow. We encourage those considering this to discuss with their Financial Advisor.

We thank you for considering including The Arc in your estate plans.



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