

Sample Bequest Language

Leaving a bequest to your Church or favorite United Methodist charity is one of the easiest ways to leave your legacy. You simply write the bequest into your will. As you consult with your attorney on the exact wording to reflect your goals and intentions, be sure to use the correct legal (corporate) name of your local church or institution in all final documents.

Example: *“Wesley United Methodist Church (city, state), a nonprofit corporation, or its successor.”*

In your will, you have choices as to how to create your bequest. You may choose to leave a fixed dollar amount, or a percentage of your estate, or the residuary estate or a portion thereof. The following is a listing of examples of the most popular types of bequests:

A General Bequest of a stated sum of money may be worded: “I give to _____, an Iowa nonprofit corporation, or its successor (insert the exact dollar amount).

A Specific Bequest of a certain asset from your estate may be worded: “I give to _____, an Iowa nonprofit corporation, or its successor (insert a description of the particular property).

A Residuary Bequest, after other bequests and expenses have been paid, may be worded: “I give to _____, an Iowa nonprofit corporation, or its successor all (or a percentage) of the rest, residue and remainder of my estate.

A Contingent Bequest, taking effect only if primary intentions cannot be met, may be worded: “I give to _____, an Iowa nonprofit corporation, or its successor, all (or a percentage of) portions of my estate that cannot be distributed to named beneficiaries because of their death, or in the case of organizations, because they no longer function as a non-profit entity.”

A Percentage Bequest, sharing the entire estate or a named asset(s) with other beneficiaries, may be worded: “I give to _____, an Iowa nonprofit corporation, or its successor, (insert a percentage) of my entire estate (or the name of the assets).”

If you wish to make **An Endowed Bequest**, and your Church does not have a foundation or permanent endowment fund, or if you wish to name more than one beneficiary to receive the income generated by your gift, you can instruct the Iowa United Methodist Foundation to hold the funds permanently using only the investment income generated. “I give to The Iowa United Methodist Foundation, or its successor, (insert the general, specific or residuary language) as a permanent endowment gift to benefit (list the legal names of the beneficiary organization(s) and the percentage of the income each is to receive).”

*This information is not intended as legal, tax or investment advice.
Please consult your attorney, tax professional or investment professional for advice.*

Planned Giving Guide

Giving to The United Methodist Church can take many forms. The Iowa United Methodist Foundation encourages donors to explore ways that are best for them. Options available through planned giving offer creative alternatives that often benefit both donor and recipient. Here are some charitable gift ideas that are simple to execute, and can be used to benefit your Church or any United Methodist related charity. Before making a final decision, please consult with your professional financial advisor, or contact your church endowment or foundation board members or the Iowa United Methodist Foundation at 515-974-8928.

GIFTS YOU CAN MAKE NOW			
Your Goal	Type of Gift	How to Give	Benefits
Make a quick and simple gift	Appreciated Securities	Transfer stock or mutual funds to your church. If your church does not have a brokerage account, donations may be made through the Foundation.	Donor avoids capital gains taxes and receives an income tax deduction; Church sells shares tax-free
Avoid capital gains tax on the sale of a home or other real estate.	Appreciated Real Estate	Donate property to your church.	Immediate income tax deduction and avoidance of capital gains tax.
Make a gift that allows flexibility and your input on how funds will be distributed.	Donor Advised Fund	Create an agreement whereby Foundation manages your assets; you and/or family members advise the Foundation regarding charitable disbursements.	Immediate income tax deduction, flexibility and an opportunity to practice philanthropy on a regular basis.
Make a significant gift with little cost to yourself.	Life Insurance	Designate your church as a beneficiary.	Future gift to the church.
Give your personal residence or farm, but continue to live there.	Retained Life Estate	Designate the ownership of your home to your church but retain occupancy.	Charitable income tax deduction and lifetime use of your home.
Avoid taxation on retirement plan assets.	Retirement Plan	Name your church as beneficiary of the remainder of the assets after your lifetime.	Avoidance of heavily taxed gift to heirs.

GIFTS YOU CAN DEFER			
Your Goal	Type of Gift	How to Give	Benefits
Defer a gift until after your lifetime.	Bequest in Will	Leave your legacy and remind loved ones of your faith by titling part of your estate to the church. A bequest can be a specific amount or asset, or a percentage of your estate. A residual bequest assigns the amount left in the estate after all other distributions have been made.	Your estate receives a tax deduction. The church receives your gift when the estate is settled.
Make a deferred gift, maintain access to assets, avoid probate.	Living Trust	Donor places assets into a trust; retains control during lifetime. Foundation becomes trustee upon death of the donor, and makes distributions as directed by donor.	Privacy, flexibility, control of trust for lifetime, possible estate tax savings.

LIFETIME INCOME ARRANGEMENTS			
Your Goal	Type of Gift	How to Give	Benefits
Supplement income with fixed annual payments.	Charitable Gift Annuity	Enter into a contract with the Foundation. Foundation pays you fixed payments for life and distributes remainder to church and other charitable beneficiaries.	Charitable income tax deductions, fixed annuity payments for life (portion tax-free), future gift to church
Supplement income with fixed annual payments.	Charitable Remainder Annuity Trust	Create a charitable trust that pays you a fixed income.	Charitable income tax deduction, fixed income for life, future gift to church.
Create a hedge against inflation over the long term.	Charitable Remainder Unitrust	Create a trust that pays you a percentage of the trust's assets valued annually.	Immediate income tax deduction, annual income for life that has potential to increase.
Reduce gift and estate taxes on assets passing on to heirs.	Charitable Lead Trust	Create a trust that pays a fixed or variable income to your Church or ministry for a set period of time, then passes to heirs.	Reduces size of taxable estate; keeps property in family, often with reduced gift taxes.

Neither the author, the publisher, nor this organization is engaged in rendering legal or tax advisory service. For advice and assistance in specific cases, the services of an attorney or other professional advisor should be obtained. The purpose of this publication is to provide general gift, estate and financial planning information. State laws govern wills, trusts and charitable gifts made in a contractual agreement. Advice from legal counsel should be sought when considering these types of gifts. Watch for tax revisions. Some types of gifts may not be available in all states. Check with your professional advisor.

The Iowa United Methodist Foundation facilitates giving to churches, agencies and institutions of the Iowa Annual Conference of the United Methodist Church and to the world-wide ministries of the United Methodist Church.
To learn more about our services, please visit our web site at www.iumf.org or call us at 515-974-8928.