For More Information

Mail, fax, or e-mail the completed form to the KRCF.

Please check one:

☐ Please send me a personal illustration of how gifts of retirement plans could benefit my estate.

☐ I would like someone to contact me regarding a private and confidential visit about planning a gift from my estate.

☐ In confidence, I have already included my hometown in my will.

Name

Address

City State Zip

E-mail address

Phone

Please return to:
Kansas Rural Communities Foundation
P.O. Box 25
1004 Lincoln Avenue
Wamego, KS 66547

Phone: (785) 456-8444
Fax: (785) 456-8443
E-mail: director@thekrcf.org

About the KRCF

The Kansas Rural Communities Foundation exists to help concerned individuals mobilize charitable giving to support the betterment of Kansas communities and organizations.

The KRCF is a nonprofit charitable corporation providing financial management, strategic development, and education/training services to communities, organizations, and donors throughout Kansas.

Started in 2006, the KRCF provides affiliated fund status, which allows communities and organizations to achieve nonprofit charitable status without forming their own nonprofit corporation.

For more information about the KRCF, call (785) 456-8444 or visit ***www.thekrcf.org***.

The single most important factor in community success is involvement of citizens in their community. Your gifts of time, talent, and dollars make a difference!

Please consider what a gift of retirement plans would do for you and your community.

Gifts of Retirement Plans

A Gift that Benefits

Your Hometown

A Gift that Avoids

Double Taxation

A Gift that Benefits

Your Estate and Heirs

KANSAS RURAL COMMUNITIES FOUNDATION

A statewide foundation committed to all Kansans

Gifts of Retirement Plans

Many Kansans have taken advantage of generous tax incentives provided by Congress to encourage savings for their retirement years. Known as "qualified" retirement plans, these plans, Individual Retirement Accounts (IRAs), 401(k), Keogh, and others, feature income tax benefits when contributions are made to the plan. Plus, the money in the plan accumulates tax free until it is withdrawn for retirement.

Double Taxation

If you choose up-front to not pay taxes by saving for retirement in a qualified plan, your family will be required to pay the taxes later — and quite likely in significant ways.

When your qualified plan terminates, most likely at the end of your life or that of your spouse, the plan can potentially be subject to double taxation: Estate Tax and Income Tax.

Your retirement plan could be taxed up to 70% if you don't do the proper planning!

Taxation Examples

- A \$100,000 retirement plan in a \$500,000 estate (below threshold for estate taxes) creates \$38,560 in income taxes — leaving \$61,440 for the family.
- A \$250,000 retirement plan in an \$1,250,000 estate (above the threshold for estate taxes) creates \$167,300 in income and estate taxes — netting \$82,700 for the family and resulting in a 67 percent shrinkage from taxes.

Avoid Heavy Taxation

To avoid this potential "tax bite," simply leave your hometown all or a portion of your IRA or other qualified plan. Here are some ways to use your qualified plan to benefit your hometown and favorite charities, while minimizing tax consequences.

- **Beneficiary Change**

Simply change the beneficiary designation on your account to the KRCF for the benefit of your hometown or other favorite charities for all or a portion of the account balance. Favorable new IRS rules have made this option more attractive without increasing your required minimum annual payments at retirement.

- **Contingent Beneficiary**

Naming the KRCF as a contingent or secondary beneficiary for the benefit of your hometown or other favorite charities gives your heirs the option to decline their right to receive your account assets should they decide not to pay the potentially heavy taxation on the account assets.

- **Income for Family**

Your retirement account's value may be preserved and income provided to your family with the use of a Charitable Remainder Trust. The use of this trust could greatly reduce your federal estate taxes. Additionally, no income taxes would be payable on your retirement account assets.

- **Asset Replacement**

In some situations, it may benefit your family to name the KRCF as the beneficiary of your retirement plan. A newly purchased life insurance policy could replace the value of your retirement plan that would have gone to your family, without the tax consequences.