

## CHARITABLE GIFT ANNUITIES

A Charitable Gift Annuity is a contribution made by a donor to a qualified charity that is part gift and part payment made in exchange for a life income for one or two persons. A contract would exist between the donor and the non-profit organization to provide the donor(s) and/or other named beneficiaries with a guaranteed income at a competitive rate of return. After their lifetime(s), the gift annuity establishes a permanent charitable fund to benefit Hi-Tor Animal Care Center, Inc. or the annuity can be added to the Organization's established Endowment Fund. The gift annuity is backed by the Organization's assets.

## CHARITABLE REMAINDER TRUSTS

Charitable Remainder Trusts (CRTs) are excellent ways to make delayed gifts to Hi-Tor Animal Care Center, Inc. and also enhance lifetime income. They provide both immediate tax benefits and income to the donor. Here's an example of how these benefits can work for someone who loves animals.

Mary had stock valued at \$50,000.00 and wished to help animals in need through a gift to the Hi-Tor Animal Care Center, Inc. By transferring these stocks to a CRT, Mary established an annuity, which will pay her \$4,000.00 per year for the rest of her life. This annuity is a welcome supplement to her retirement income. In addition, she received a significant charitable income tax deduction in the year she created the trust. Mary also avoided paying an immediate capital gains tax of almost \$8,000.00 which would have been due if she had sold the stocks. At Mary's death, the remaining funds in the CRT will be given to Hi-Tor Animal Care Center, Inc. as her personal legacy of love.



## NEXT STEPS

1.

Seek the advice of your financial or legal advisor.

2.

If you include Hi-Tor Animal Care Center, Inc. in your plans, please use our legal name and federal tax ID.

Legal Name: Hi-Tor Animal Care Center, Inc.  
Address: 65 Firemen's Memorial Drive,  
Pomona, NY 10970  
Federal Tax ID Number: 23-7148054

The information above is not intended as legal or tax advice. For such advice, please consult an attorney or tax advisor. Figures cited in any examples are for illustrative purposes only. References to tax rates include federal taxes only and are subject to change. State law may further impact your individual results. A copy of our most recently filed financial report is available from the Charities Registry on the New York State Attorney General's website ([www.charitiesnys.com](http://www.charitiesnys.com)) or, upon request, by contacting the New York State Attorney General, Charities Bureau, 28 Liberty Street, New York, NY 10005, or us at 65 Firemen's Memorial Drive, Pomona, NY 10970. You also may obtain information on charitable organizations from the New York State Office of the Attorney General at [www.charitiesnys.com](http://www.charitiesnys.com) or (212) 416-8401.

# LEAVING A LEGACY



# LEAVING A LEGACY

Hi-Tor Animal Care Center, Inc. has been a voice for animals in the Rockland County community for more than four generations. We provide shelter for homeless, abused, lost and abandoned animals. Through our comprehensive Pet Placement program, we have placed thousands of pets into permanent, loving homes. We advocate for the humane care and treatment of all animals while our many programs and services enrich the lives of both animals and people.

We are often asked “How do I leave a legacy for the animals at Hi-Tor?” by friends who have already given generously of their time and resources to prevent animal suffering and homelessness. For many of us, there is a compelling need to make a difference; to leave a lasting impact in the community in which we live. In fact, there are many ways that supporters can significantly continue their support of animals. This brochure will introduce you to several of these planned giving options. A planned gift is any charitable contribution, immediate or deferred, that considers the donor’s personal tax, financial and estate planning circumstances, which requires the participation of the donor’s professional advisors.

In this brochure, we explain and give examples of some of the more common ways to contribute. The information in this brochure is provided to give general information about charitable giving strategies that help donors maximize tax savings while helping Hi-Tor Animal Care Center, Inc. No part of this booklet is intended as legal, financial or estate planning advice. Please consult with your tax advisor and attorney to determine the best giving strategy for your situation.

You should know that all of the ideas discussed in this brochure offer significant tax advantages; allowing you to take money that would otherwise be taxable and use it to provide a permanent legacy of love and support for animals who need your help. Some methods of support can even provide additional income to donors during their lifetime. The specifics of these methods vary depending on your own circumstances and wishes. However, they all have one thing in common, they require planning. With proper planning now, you can make sure that your support for the care and treatment of homeless animals will continue, even as you provide for your own needs and those of

## CHARITABLE LEAD TRUSTS

In brief, a charitable lead trust can make gifts to Hi-Tor Animal Care Center, Inc. for either a specific number of years or for the donor’s lifetime. At the end of this period, the remaining assets in the trust and any growth it has realized are typically passed to the donor’s heirs. Although there is no income tax deduction when you create a charitable lead trust, your gift or estate tax can be greatly reduced and any growth is passed on as a charitable gift and estate tax free. Here is an example of the benefits of this arrangement.

Robert has established a charitable lead trust that makes a payment to Hi-Tor Animal Care Center, Inc., 501(c)(3) non-profit organization, each year for the rest of his life. These payments are funded by stocks that Robert contributed to the charitable lead trust.

Robert stipulated that these annual payments be used for the support of Hi-Tor Animal Care Center, Inc.’s veterinary medical care for the animals. This has permitted us to extend life saving and humane treatment to sick and injured animals.

Upon his death, the assets in the trust will be left to Robert’s daughter, Linda. The annual payments made to Hi-Tor Animal Care Center, Inc. will result in a sizable charitable deduction for Gift and Estate Tax purposes. This deduction will result in a higher proportion of the assets in the trust being passed on to Linda and a smaller part being paid in taxes.



## LIFE INSURANCE

Life insurance is a simple and inexpensive way to provide significant amounts to support animals. If you have an insurance policy that is no longer needed for its original purpose, you may wish to change the beneficiary to the Hi-Tor Animal Care Center, Inc.

As an alternative to naming Hi-Tor Animal Care Center, Inc. as a beneficiary of your insurance policy, you may consider making a gift of the policy itself to Hi-Tor Animal Care Center, Inc. and contributing funds to enable Hi-Tor Animal Care Center, Inc. to pay the insurance premiums. Under this approach, the insurance proceeds are free of estate taxes in your estate. If you make Hi-Tor Animal Care Center, Inc. the owner and beneficiary of the policy, you are also entitled to a charitable income tax deduction based upon the premiums paid and the policy’s cash surrender value. In addition, the payment of future premiums by the donor on the policy that is owned by Hi-Tor Animal Care Center, Inc. will also be deductible in the year of payment.

## BEQUESTS

A bequest is one of the simplest ways to leave a charitable legacy to those who most need your help. Your will or revocable trust provides the flexibility of specifying exactly how you wish to provide for the animals. For example, you could leave any of the following:

- A gift of a specific dollar amount
- A percentage of your entire estate
- What is left after you provide for others
- A specific item or property

It is important to note that a bequest of property under your will or revocable trust to Hi-Tor Animal Care Center, Inc. is deductible for estate tax purposes at the full fair market value. Often this results in substantial tax savings. This means that your estate will pay less in taxes and leave more for the causes, people and animals you love.

An updated will or revocable trust is the best way to make sure that your support for animals will continue forever.



## IRA OR RETIREMENT PLAN BENEFITS

IRA accounts and qualified plan retirement benefits can be some of the most valuable assets you own during your lifetime. These assets grow tax deferred and, as a result, it is easier to accumulate retirement savings than with taxable investments. Unfortunately, these assets can be among the least valuable to your heirs, especially if your estate is large enough to be subject to estate taxes. This is because IRAs and retirement plan accounts are subject to both estate and income taxes when they pass to individuals or trust beneficiaries. For instance, subject to tax law changes and individual circumstances, a descendant (other than a spouse) may receive as little as 33 cents on the dollar for a retirement plan subject to estate tax.



If you designate Hi-Tor Animal Care Center, Inc. as a primary or partial beneficiary of a retirement fund balance, there is no estate tax and no income tax on the amount passing to Hi-Tor Animal Care Center, Inc.