



## THE GIVING PLEDGE

*Sponsored by The Erie Community Foundation*

# Planned Giving Vehicles

### *Direct Bequest*

This is the official language in a will or trust that directs the gift to a specific nonprofit, from a donor's estate. A bequest can be a dollar amount, a percentage of the estate, or the remainder that is left after all debts and obligations are paid.

### *Beneficiary Change*

This is one of the simplest and most cost-effective ways that a donor can remember a nonprofit in their estate. Most retirement plans and insurance policies offer owners an option to direct all or a percentage of the plan to a nonprofit upon their death. It's usually just a signature on a form – no fees required!

### *Charitable Gift Annuity*

A "CGA" is an insurance contract, whereby the donor receives an income stream in exchange for their gift. They receive an immediate deduction upon making the gift, and the annuity pays them an income that is partially tax-free. Once this payout ends – typically at the donor's passing – whatever is left goes to the nonprofit.

### *Charitable Remainder Trusts*

"CRTs" require an attorney to establish. Essentially, funds are put in a trust in order to pay income to a designated non-charitable beneficiary. The income can be either a fixed amount or a percentage. Once the trust term ends – typically 20 years – the remainder goes to the nonprofit. There are various versions of these trusts, some of which pay the nonprofit first, leaving a remainder for heirs.