

## **Benefitting The Japan America Society of Chicago at Death**

Gifts at death to The Japan America Society of Chicago should qualify for an estate tax charitable deduction.

Gifts in your Will or Revocable Trust. If you are interested in giving a set dollar amount or percentage of your estate to support The Japan America Society of Chicago, the wording in your will or living trust for an unrestricted gift would be as follows:

*I give {dollar amount, desired percentage, or “the rest, residue and remainder of my estate”} to The Japan America Society of Chicago, an Illinois not-for-profit corporation, to be used for its general charitable purposes.*

If you prefer to restrict your gift to a specific area of service, the language would be as follows:

*I give {dollar amount, desired percentage, or “the rest, residue and remainder of my estate”} to The Japan America Society of Chicago, an Illinois not-for-profit corporation, to be used for \_\_\_\_\_ {name or description of area of service}.*

Retirement Plan Beneficiary Designation. It is especially advantageous to make a gift at your death of a portion or all of your IRA or other retirement plan because that gift should qualify for an estate tax charitable deduction plus income taxes will be avoided. Some people choose to name their spouse as the primary beneficiary of the retirement plan and a charity as the contingent beneficiary. Others name the charity as the primary beneficiary if they are certain their spouse will be taken care of. If individuals (such as a spouse or children) are named as beneficiaries, then when distributions from the retirement plan are made to them, those individuals will be required to pay income taxes on the distribution. However, if a charity is named, then those income taxes are avoided because the charity does not pay income taxes. Thus, two layers of taxes are avoided – estate taxes and income taxes. (This discussion does not apply to Roth IRAs which are income tax-free even with respect to individuals.)

To name The Japan America Society of Chicago as a beneficiary of your IRA or other retirement plan, you would need to complete a beneficiary designation form and submit it to the bank or your employer who manages the IRA or plan. Typically, this type of gift is made by using a percentage rather than a dollar amount.

Life Insurance Beneficiary Designation. Another simple way to benefit The Japan America Society of Chicago at your death would be to name the Society as the beneficiary of a portion or all of your life insurance. Such a gift should qualify for an estate tax charitable deduction.

Seek advice for your own circumstances. As much as The Japan America Society of Chicago could use your gift, it is important that any charitable gift you make be appropriate for you and your family. Thus, you should consult your own tax advisor and estate planner before making any final decisions.