



Make the Most of Your Retirement Plan Assets

Avoid Taxation and Support Our Work

Did you know that retirement accounts are exposed to federal income taxes that could be as much as 37% upon your death? The good news is that these taxes can be eliminated or reduced through a carefully planned charitable gift.

Consider leaving your loved ones less heavily taxed assets and leaving your retirement plan assets to Habitat for Humanity Seattle-King County to support our work. As a nonprofit organization, we are tax-exempt and will receive the full amount of what you designate to us from your plan. You can take advantage of this gift opportunity in several ways, illustrated on the following pages.



Use a charitable gift annuity (CGA) or charitable remainder trust (CRT) to stretch payments from retirement plan assets. The SECURE Act eliminated the “stretch IRA” and retirement plan assets must now be distributed to most non-spousal beneficiaries within 10 years. If you would like your beneficiaries to receive distributions over a lifetime and support Habitat for Humanity Seattle-King County, a testamentary CGA or CRT may be a solution. The income beneficiaries can receive lifetime payments. The remainder will support Habitat for Humanity Seattle-King County.

3 Ways to Donate Your Retirement Account

1

List Habitat for Humanity Seattle-King County as a beneficiary of your account.

The simplest way to leave the balance of a retirement account to Habitat for Humanity Seattle-King County after your lifetime is to list Habitat for Humanity Seattle-King County as the beneficiary on the form provided by your plan administrator. If you are married, your spouse must sign a written waiver.

2

Make Habitat for Humanity Seattle-King County a contingent beneficiary.

If you prefer to make your spouse the primary beneficiary of your retirement account, you can name Habitat for Humanity Seattle-King County as the contingent beneficiary. Want your children to benefit, too? Designate a specific amount for Habitat for Humanity Seattle-King County with the remainder for your children.

3

Give from your IRA.

If you are 70½ years or older, you can give any amount up to \$100,000 from your IRA directly to a qualified charity such as Habitat for Humanity Seattle-King County without having to pay income taxes on the money. Beginning in the year you turn 72, you can use your gift to satisfy all or part of your required minimum distribution.

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Example: Tax-Smart Planning

A longtime donor with a \$1.5 million estate wants to leave Habitat for Humanity Seattle-King County a gift valued at \$750,000. They also want to leave something to their only daughter who is in the 32% federal income tax bracket. Take a look at the options.

Option 1: Our donor divides assets equally between the daughter and Habitat for Humanity Seattle-King County.

	Daughter	Us
IRA	\$375,000	\$375,000
Other assets (house, securities, cash)	\$375,000	\$375,000
Federal income tax owed	(\$120,000)	(\$0)
Net amount to beneficiary after taxes	\$630,000	\$750,000

Option 2: Our donor names Habitat for Humanity Seattle-King County the beneficiary of retirement plan assets and leaves the daughter all other assets.

	Daughter	Us
IRA	\$0	\$750,000
Other assets (house, securities, cash)	\$750,000	\$0
Federal income tax owed	(\$0)	(\$0)
Net amount to beneficiary after taxes	\$750,000	\$750,000

Retirement Plan Assets

Next Steps

For more information, please seek guidance from an estate planning attorney, a CPA or other tax professional. We would be happy to answer any questions regarding charitable giving that you or your advisors may have. Feel free to contact us at no obligation.

Habitat for Humanity Seattle-King County

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