



Giving Matters

An occasional publication about planned gifts & their impact



A Message from the Chairman

Dear Friend,

For many people, a retirement plan is the primary repository of their savings. Whether your retirement plan assets are large or small, they are an important part of your estate plan. And, depending on your individual situation, IRAs can also be a source of tax-advantaged charitable contributions that you make now.

Because so many people have retirement plans, and rules and regulations governing the plans are so complex, we devote this issue of *Giving Matters* entirely to gifts from retirement

plans. We show you how charitable gifts of such assets, outright or deferred, may benefit not only your favorite charities, but also you and your loved ones.

As always, we recommend that you consult your legal and financial advisors for estate-planning and tax advice.

You are receiving this publication because you have been a loyal supporter of the AHRC New York City Foundation in the past. Thank you so much for your generosity. It is only with the help of friends such as you that the Foundation is able to make grants for the important work of AHRC New York City that is not funded by government.

Please read the stories of Asante, Diana and Douglas, whose lives were changed with help from AHRC. With

your continued support, many more people with intellectual and developmental disabilities can live a life they previously only dreamed about.

If a gift of retirement plan assets is not right for you, there are many more ways you can make a planned gift. If you would like assistance at any time, please contact the Foundation staff using the information or the reply form on page 4. If you would prefer to make an outright gift, the staff, of course, can also help you with that.

Please accept my thanks in advance and my warmest wishes.

Sincerely,

Michael N. Rosen, Chairman

Mission of AHRC New York City Foundation

The AHRC New York City Foundation is a fund-raising and grant-making entity that supports programs for children and adults who have intellectual and developmental disabilities and who live in New York City.

The Foundation is the primary source of philanthropic support for AHRC New York City, which provides a wide array of social services for approximately 12,000 people with disabilities.

Through its grants, the Foundation aims to empower people with intellectual and developmental disabilities to

- Make choices and decisions based

on their own aspirations.

- Live as independently and be as productive as possible.
- Participate fully in their communities.

We envision a world in which people with disabilities will

- Share ordinary places in their local communities (such as stores, gyms, libraries and museums) at the same time and in the same ways as their neighbors.
- Develop a support network that includes a wide range of personal and social relationships.
- Fill valued roles in and make contributions to their communities.

Bequeathing retirement plan assets

Would you like to make an estate gift to the AHRC New York City Foundation as well as bequests to children or others? If so, leaving retirement plan assets to the Foundation and other assets to your heirs can maximize your bequests to heirs.

This is because an heir other than a spouse must pay income taxes on assets from any retirement plan funded with pre-tax dollars as those

continued on the next page



continued from page 1

assets are distributed. In contrast, heirs do not pay income taxes on bequests of other assets, such as cash, stock or real estate.

If retirement plan assets are left to a qualified charity such as the AHRC New York City Foundation, the charity receives the full market value of the account and, as a tax-exempt

organization, does not pay any taxes on the bequest.

The chart below, from BNY Mellon, shows how much money a child might receive if he or she were bequeathed an IRA and how much the child would receive if bequeathed the same amount in stock. In this example, the child receives \$200,000 more from the stock bequest.

	Stock to Charity and IRA to Son		IRA to Charity and Stock to Son	
	Charity	Child	Charity	Child
Stock	\$500,000	–	–	\$500,000
IRA	–	\$500,000	\$500,000	–
Total Bequest	\$500,000	\$500,000	\$500,000	\$500,000
Less Income Tax on IRA	–	(\$200,000)	–	–
NET BEQUEST	\$500,000	\$300,000	\$500,000	\$500,000*

Source: BNY Mellon Wealth Management
Assumes a blended federal and state income tax rate of 40%.
*Note that the son's shares of stock also receive a step-up in basis when the decedent dies.



www.ahrcNYCfoundation.org

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This publication is for information only, and the AHRC New York City Foundation does not warrant or ensure its content.

How your gift can change lives

Asante's Story



Moving out of his mother's home into his own apartment at the age of 37 was "liberating," Asante says. With AHRC's help, Asante has his own place for the first time in his life.

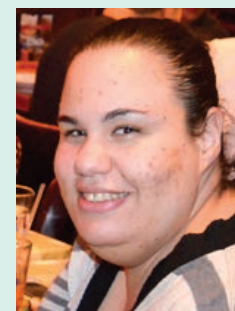
The move gave him not only the freedom to do what he wants when he wants, but also new responsibilities. He says the responsibilities have helped

him grow. "I have to budget and pay my bills," Asante says. "So far, nothing's been late."

Asante also has a good job that AHRC helped him get. He is a guest-services representative at Barclays Center and is trusted with a high level of responsibility. He controls access to the VIP entrances, opens up suites for guests, supervises other workers, and escorts guests in wheelchairs, among other assignments. Asante worked himself up at Barclays Center, starting two years ago as a greeter.

"Life is good," he says.

Diana's Story



Diana is an AHRC resident. Her life changed when she met Shanna, a volunteer, through an AHRC program, and the two became friends. AHRC started the program, One-for-One, recognizing that relationships are an important part of a full life.

For many AHRC residents, "friend" means a housemate or

Designating a beneficiary

Make sure you have designated a beneficiary of your retirement plan or plans, and that the beneficiary form is kept up to date.

If you do not designate a beneficiary, the account assets will pass to your estate, which may result in delays and added costs and may have tax and other financial consequences for the recipients. For these reasons, it is also not a good idea to designate your estate as the beneficiary.

Beneficiaries can be designated or changed by filling out a simple form provided by the custodian of your retirement plan. If you choose to include a charity, you will generally need the legal name of the organization, the type of legal entity it is, the address and the Employer Identification Number (EIN).

For example:
AHRC New York City Foundation, Inc.,
a nonprofit corporation,
83 Maiden Lane, New York, N.Y. 10038,
13-3779611

Beneficiary designation forms can be submitted online or by mail.

Once you have submitted a beneficiary designation form, you should review it periodically to make sure it reflects your current wishes. At a minimum, you should

review it after any life event, such as divorce, remarriage or the death of a beneficiary. Your beneficiary designation supersedes your will, so you must update each separately.

If you have designated a charity such as the AHRC New York City Foundation as a beneficiary, the custodian of your account may not be responsible for contacting the organization after your death. You may therefore want to let the charity know now that it is a beneficiary of your retirement plan and where the account is held.

Giving now from your IRA

If you are 70-1/2 or older, you are eligible to make a charitable gift directly from your IRA.

Making a gift from your IRA instead of a cash gift may benefit you if

- You must take a minimum distribution but don't need the income,
- You do not itemize deductions on your income tax return, or
- Your income is substantial.

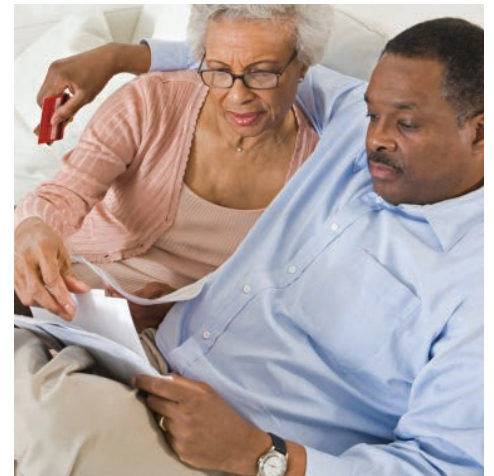
When you make a charitable gift directly from your IRA, it counts toward your minimum distribution,

but it is free of federal income tax. Ordinarily, distributions from your IRA are taxable. So, if you must take a minimum distribution but don't need the income, you can avoid incurring federal income taxes on the distribution by making a charitable gift from your IRA. State and local tax laws vary and may confer greater or lesser benefits.

A charitable gift from your IRA is not tax deductible. But because it is tax free, taxpayers who do not itemize deductions on their federal income tax returns in effect get a deduction in addition to the standard deduction.

High-income donors may derive a greater tax benefit from making a charitable contribution directly from an IRA than from withdrawing IRA

continued on the next page



a fellow participant in a program for people with disabilities. And outings often involve a group or a staff member.

As much as those friendships and experiences are valued, AHRC wanted to make it possible for residents to enjoy ordinary activities as most of us do – with friends whose company we have chosen.

The program pairs people who live in AHRC residences with volunteers in the community, based on shared interests. Diana and Shanna both like to get their nails done. They like to take long walks in Central Park. And they

enjoy trying new restaurants.

“I don't think of it as volunteer work,” says Shanna. “I think of it as building a friendship.”

Douglas's Story



A new world has opened up for Douglas, thanks to an AHRC program that is putting technology into the hands of people with intellectual and developmental disabilities.

Douglas is using a smart phone and

a smart watch to help him in his job, to navigate the subways and buses, and to learn to read and count money.

Douglas has been a cart attendant at a discount retail store for five years, a job that AHRC helped him secure. The mobile devices, used together, help Douglas keep track of what days and hours he will work, as well as when it is time to do assigned tasks or take a lunch break.

Before he had the devices, Douglas says, he had to rely on his boss to remind him. Now he can work more independently.

“I'm very fortunate to have the watch and phone,” he says.

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continued from page 3

funds and making a tax-deductible contribution. This is because the deduction may not completely offset the additional income taxes that would be due on the withdrawn funds.

In addition, because a charitable gift from your IRA is not counted as income, it may reduce or eliminate federal income tax on your Social Security benefit.

In order to derive these tax benefits, the gift

- Must be made from a traditional or Roth IRA. It cannot be made from another type of retirement plan such as a 401(k).
- Must be made to a qualified charity such as the AHRC New York City Foundation. The gift cannot be made to a donor-advised fund or to certain other types of nonprofit organizations.

- Must be made **directly** to the charity from an IRA. You cannot withdraw the funds and then make the gift.

To make a charitable contribution from your IRA, contact the custodian of your account. Most have forms and procedures to facilitate the process.



Your attorney, accountant or financial advisor can explain the tax consequences of making charitable gifts from your retirement assets in your particular circumstances. He or she can also ensure that your beneficiary designation form accurately reflects your wishes.

Getting professional help

Laws and regulations governing IRAs and other types of retirement plans are complex and change from time to time.

For more information about gifts to the AHRC New York City Foundation

Contact: Pamela Richard,
Foundation Director
212-780-2682
pamela.richard@arhcNYC.org

or mail this form to:
AHRC New York City Foundation
83 Maiden Lane, New York, NY 10038

I am interested in making a planned gift to the AHRC New York City Foundation.

Please print your name: _____

Please contact me by phone.
Best number to reach me: _____
Best time to reach me: _____ AM PM

Contact me by email.
My email address is: _____

I have remembered AHRC New York City Foundation in my estate plans. Please include me in the AHRC NYC Foundation Legacy Society.