

# CHOICE & VOICE



› **A Guide to Alternative  
Ways of Giving**

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# Beyond Your Will

## Other Ways to Remember a Favorite Charity



When people are asked if they want to make a gift in a will to support their favorite charity, many respond, "I'd love to, but I've already completed my will." The good news is you can still leave a gift without changing your will or meeting with an attorney. How? You can designate a nonprofit organization as a beneficiary of other assets you may own.

The purpose of this brochure is to make you aware of those assets and the options you have at your disposal to help meet your charitable legacy goals. You can leave a legacy gift without re-writing your will in the following ways:

### ► Life Insurance Policies

You may have purchased one or more life insurance policies to provide financial security for your family, but those proceeds are no longer needed.

**You can designate a charity as the primary beneficiary of a life insurance policy you hold through your employer or on your own. Or you can make the charity a contingent beneficiary, which means the charity would only receive the proceeds if the other named beneficiaries predecease you.**

### ► Insurance Annuities

Perhaps you purchased an insurance annuity to provide a reliable income stream in retirement. Any balance remaining at the end of your lifetime will be passed to your beneficiary.

**You may choose to designate all or a specific percentage of the annuity to a charity, with the remaining amount directed to other beneficiaries.**

### ► Qualified Retirement Plans

Your IRA, 401(k), or other qualified retirement plan assets are there for your use for as long as you need them. Retirement assets left at the end of your lifetime can be transferred to heirs, but that can also transfer a tax obligation.

**You can assign your remaining retirement assets, or a percentage of them, to a charity since nonprofit organizations can receive the funds tax-free.**



## ► Cash Accounts

You may have common financial accounts—checking, savings, money market, certificates of deposit and U.S. savings bonds—that can be transferred to a charity when the account holder no longer needs the assets.

**You can decide to pass the balances of these payable on death (POD) accounts directly to a charity outside of a Will or probate. To do this, contact the bank where the account is held and complete the beneficiary designation form provided. You will still have full access to, and use of, the accounts for your lifetime. You can spend the money, change your beneficiary, or close the account.**

## ► Real Estate

You may own your home and additional pieces of real estate, which are sometimes your most valuable assets.

**You can designate a charity to be a joint tenant with right of survivorship. While this means you retain full use of the property throughout your lifetime, the charity also must assume some obligations. If you are contemplating a gift of property, you should speak the charity's staff or gift planner to review and discuss your intention.**

## ► Securities

Perhaps you own stocks, bonds or mutual funds that your Will does not address.

**You can pass these assets to a charitable beneficiary when you or a co-owner no longer needs them. These transfer on death (TOD) accounts can also be passed directly to a charity outside of a Will. To designate a charity as the beneficiary for securities, contact your broker to request the necessary forms and filing information. You will still have full control of the securities for your lifetime: you can sell them, name a different beneficiary, or close the accounts.**



### **It's easy to change your beneficiary designations**

It's easy to change the beneficiary designation on your insurance and retirement accounts—you don't need to call a lawyer. Contact your insurance agent, the insurance company, your retirement plan administrator, or your employer's human resources department to request a "designation of beneficiary" or "change in beneficiary" form. The form may also be available on the applicable company's website. Follow the instructions provided to file a change of beneficiary.

## Family First

As you consider a gift to a favorite charity, you certainly want the peace of mind that comes from knowing you have provided for your family first. Remember, you can name family members as the *primary* beneficiaries of a particular asset and a charity as the *secondary* or *contingent beneficiary*. In this case, the charity will receive the gift *only* if your primary beneficiaries predecease you.



You should be aware that assets like life insurance policies, insurance annuities, qualified retirement plans, and cash assets or property are taxable if passed on to your heirs. They are *not* taxed if the beneficiary is a charitable organization, meaning that **100% of the value of the asset** will be used as you direct for the benefit of an important cause or organization.

Finally, when you decide to name a charity as a beneficiary, please remember to notify the charity of your intention. Even if you prefer no public acknowledgement, they will certainly want to thank you privately for your generosity and thoughtfulness *and* ensure that the funds are used as you intend.

Giving by alternative methods can help you leave a charitable legacy without having to re-write your will.

If you have questions, or would like to designate Consumer Reports as a beneficiary, Amanda Das of our Gift Planning staff would be happy to speak with you. You may want to ask her about receiving additional planning materials including: A Planner to Help Organize Your Estate Plan, Alternative Ways of Giving, and Planning Your Charitable Legacy.



Please note the information provided here is presented solely as general educational material. It is not intended as legal or tax advice. When making an estate plan, you should consult your attorney, accountant, or other trusted estate planning professional.

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