



*He hana me ka lei aloha o ke Akua mau loa  
Building with God's everlasting lei of love*

## Planned Giving Guide

### Join The Kaua`i Habitat for Humanity Legacy Society

Thank you for considering making a legacy gift to Kaua`i Habitat for Humanity. When you make a planned gift to Kaua`i Habitat for Humanity, you become a member of our Legacy Society, a select group of donors who want to ensure that Kaua`i Habitat continues its affordable housing mission on Kaua`i island. Legacy Society members receive special invitations to Kaua`i Habitat for Humanity events and are listed each year in our annual report.

We welcome the opportunity to discuss with you any of the planned gift ideas listed here. Please contact Milani Pimental, Development Director, at 154 [milani@kauaihabitat.org](mailto:milani@kauaihabitat.org), or 808-335-0296, ext. 113. We also encourage you to contact your professional tax or legal advisor prior to making or structuring a planned gift.

#### Bequests

Naming Kaua`i Habitat for Humanity as a beneficiary in your will (or revocable living trust) is a simple way to help continue the work of creating more affordable housing for hard-working, low-income families on Kaua`i. Kaua`i Habitat for Humanity recommends the following language for your will or codicil to your will:

*"I hereby give and bequeath (a specific amount/a percentage of your estate/or specific assets) to Kaua`i Habitat for Humanity, a not-for-profit, tax exempt land conservancy incorporated under the laws of the State of Hawaii, having as its principal address P.O. Box 28, Eleele, HI, 96705, for Kaua`i Habitat for Humanity's general purposes."*

(Similar language may be included in your revocable living trust.)

If you include any restrictions on the purpose of your bequest, it would be helpful if you also include the following additional language:

*"If at some future time, in the judgment of the Board of Directors of Kaua`i Habitat for Humanity, it is no longer practicable to use the income or principal of this bequest for the purposes intended, the Board of Directors have the right to use the income or principal for whatever purpose they deem necessary and most closely in accord with the intent described herein."*

Kaua`i Habitat for Humanity's tax ID # is 99-0302595. Gifts to Kaua`i Habitat for Humanity made in your will (or revocable living trust) may entitle you to an estate tax deduction.

## **Retirement Plans**

You can name Kaua`i Habitat for Humanity as a partial or total beneficiary of your Individual Retirement Account (IRA), pension plan, employer retirement plan, Keogh plan, 401(k), 403(b), or other qualified pension plan. This type of gift to Kaua`i Habitat for Humanity is distributed outside probate and is entirely free of both federal estate tax and income tax. Furthermore, through 2011, taxpayers age 70½ or older can make tax-free distributions to charities directly from their standard IRAs and Roth IRAs up to \$100,000 per taxpayer, per taxable year. The charitable IRA rollover provides a significant opportunity to give to Kaua`i Habitat for Humanity, tax-free.

## **Life Insurance**

If your life insurance policy is no longer necessary for liquidity or to support your family, you can name Kaua`i Habitat for Humanity as the beneficiary of your life insurance policy. After your lifetime, the benefits from your life insurance plan would pass free of federal estate tax to Kaua`i Habitat for Humanity. You can also take out a policy and name Kaua`i Habitat for Humanity as the beneficiary to get this same result.

## **Retained Life Estate**

The difference between a simple gift of real estate and a gift of real estate with a retained life estate is that with a retained life estate, the donor may live in the property for life. The real estate used can be your primary residence, vacation home, farm, or ranch. You will be entitled to an income tax deduction equal to a portion of the value of the real estate when you make the gift.\*

## **Charitable Remainder Trust (CRT)**

You can create a charitable remainder trust that will save you income taxes\* and capital gains taxes in the current year, save estate taxes in later years, and provide for guaranteed income for life or a term of up to 20 years. You put a portion of your assets into the trust irrevocably, and the trust invests those assets and pays you a calculated amount for the rest of your life. At your death, the trust assets are used for the charitable purposes of building more affordable homes for low-income families on Kaua`i. A charitable remainder trust works especially well for individuals and couples who are 70 years of age or older.

## **Charitable Lead Trust**

In a charitable lead trust, you transfer assets to the trust which distributes the income to Kaua`i Habitat for Humanity for a certain number of years. At the end of the agreed term, the trust distributes the assets to the designated non-charitable beneficiaries, typically the donor's children or grandchildren. With this arrangement, you reduce or eliminate estate and/or gift taxes imposed on the transfer of assets to your heirs. You may receive an income tax deduction\* when you make the gift and you are able to make a current gift to Kaua`i Habitat for Humanity without permanently giving away the assets that fund the trust.

## **Charitable Gift Annuity**

You can create a charitable gift annuity to benefit Kaua`i Habitat for Humanity. In exchange for a gift of \$20,000 or more, you receive an annuity for your lifetime (or your lifetime and the lifetime of another) and an upfront charitable income tax deduction. You can set up a charitable gift annuity at any age but cannot begin to receive distributions until you are at least 60 years old. Distributions can be made monthly, quarterly, biannually, or annually. At your death, whatever remains in the annuity account will be distributed to Kaua`i Habitat for Humanity to support our ongoing work to create more affordable housing in the island of Kaua`i.

\* *Subject to certain IRS limitations*