



BEQUESTS through wills and trusts



The most common estate gift

Did you know that 60 to 70 percent of all Americans die without a valid will? Family members are left to imagine their loved ones' wishes, belongings may be distributed improperly, and assets are allocated according to state laws. Even if you have a will, there are many reasons to review it over time, such as a birth or death, a marriage or divorce, a new executor, or even a move to a new state—all of which can render your will partially invalid, increase probate expenses and drag out the settlement of your estate. You can also update your will to include a favorite organization such as the DAV Charitable Service Trust (Trust).

Few people can support their favorite charities as much as they would like during their lifetimes, but most people can consider a bequest in their will. What a wonderful way to leave your mark and to impact the lives of ill and injured veterans as your legacy. You may want to consider one of the following types of bequests for your will or living trust.

Special Bequest

You describe what dollar amount, property or other asset you want to leave to the Trust. Keep in mind that if you dispose of this asset prior to death, it will result in an unfulfilled bequest.

Percentage Bequest

After final expenses are paid, you can designate the Trust to receive a percentage of your estate. This option is safer because all family, friends and charitable organizations are affected equally and inflation will not erode your intentions.

Residual Bequest

You can designate the Trust to receive the remainder of your assets after final expenses and other bequests are fulfilled. This is a very popular option.

Contingent Bequest

It's always a good idea to provide for a contingent beneficiary in case a primary beneficiary does not outlive you. You might consider the Trust.

THE EASIEST GIFT— USING A BENEFICIARY FORM

Would you rather not revise your will or see an attorney for simple gift planning decisions? There is a simple way for you to help the Trust enhance the lives of disabled veterans and their families. Consider naming the Trust as the beneficiary of certain assets that can be transferred directly to the Trust at the end of your life without probate and without being subject to estate taxes.

Life Insurance

You can name the Trust as a primary beneficiary of your life insurance policy, as a percentage beneficiary (e.g., 25 percent or 50 percent) or even as a contingent beneficiary in the event your other beneficiaries do not survive you.

Bank and Investment Accounts

You can also name the Trust the beneficiary of a financial account such as a checking or savings account, a certificate of deposit, an investment or a brokerage account. Simply contact your financial company for a beneficiary designation form (sometimes called a transfer-on-death or pay-on-death form).

Retirement Plans

These are the most tax-wise gifts. Retirement assets, such as IRAs, 401(k)s, pensions or profit-sharing plans should be considered first when giving to charity because of the tax costs of leaving these assets to individuals. Without proper planning, retirement plans are subject to income tax upon your death and are includable in your estate for estate tax purposes.

By designating the Trust as the beneficiary of your retirement plan, you can avoid income taxes, and your estate will receive an estate tax charitable deduction to offset potential transfer taxes at your death. Your assets will pass directly—and at their full value—to the Trust.

All you need to do is complete a beneficiary designation form naming the Trust as the full or partial beneficiary of your retirement account. Remember, this form governs distribution of these assets, not your will.

Again, these gift ideas simply require a change-of-beneficiary form from your bank, financial company or insurance representative. Then use our legal name and address: Disabled American Veterans Charitable Service Trust, 860 Dolwick Drive, Erlanger, KY 41018. In addition, include tax identification number (EIN) 52-1521276 on the tax identification number line or, absent that, the Social Security number line. Nothing could be easier! You can revise your plans at any time.

BEQUEST LANGUAGE AND LEGAL ADDRESS

Here is sample language to give to your attorney:

“I give, devise and bequeath to Disabled American Veterans Charitable Service Trust, 860 Dolwick Drive, Erlanger, KY 41018, tax identification number 52-1521276, the sum of \$_____; or the following described property to wit: _____; or _____ percent of the rest, residue and remainder of my estate.”



A CODICIL OR AMENDMENT TO AN EXISTING WILL OR TRUST

If you already have a valid will, your attorney can prepare a simple codicil. (For a revocable trust, your attorney can file an amendment.) Here is sample wording for a codicil:

“I, [name], do hereby publish this as a Codicil to my Last Will and Testament dated _____. Anything to the contrary in my aforesaid Last Will and Testament notwithstanding, I hereby devise and bequeath to Disabled American Veterans Charitable Service Trust, 860 Dolwick Drive, Erlanger, KY 41018, tax identification number 52-1521276, the sum of \$_____; or the following described property to wit: _____; or _____ percent of the rest, residue and remainder of my estate. In all other ways, I do hereby ratify and confirm my Last Will and Testament as heretofore published. In witness whereof, I have hereunto set my hand and seal this [date].”

(Add your signature, witness signatures and seal.)

A WILL OR A REVOCABLE LIVING TRUST

Some people choose a revocable living trust as their primary tool for final distribution of assets. Your assets would be titled to the trust during your lifetime, then the trust dictates their eventual distribution to heirs. An attorney must create the trust, and it will be far more costly than a will. However, the future savings in probate costs may outweigh this expense, and assets will pass more quickly to heirs.

LOOKING FOR MORE INFORMATION?

Visit cst.dav.org or call 1-800-216-9802, ext. 1, for additional information regarding the Trust and its giving options to benefit ill and injured veterans and their families.