

## Giving From Your Retirement Plan: The Details

Your retirement fund can be taxed up to 70% if passed on to your heirs, yet it's tax-free to charity. Often, between paying taxes and receiving a deduction, using a lifetime withdrawal to make a gift to charity is a "wash" for tax purposes.

### A gift from your retirement account is for you if...

- You hold a 401(k), IRA, or other retirement plan.
- You prefer to make a gift to us through your estate plan.
- You want to balance your giving between providing for your family and for us.
- You want to ensure the most efficient distribution of the assets in your estate.

If the largest asset in your estate is your **retirement plan**, such as a 401(k), IRA, or Keogh, you may be surprised to learn that the IRS will impose income tax on the remaining balance in the account if you *designate it to a beneficiary other than your spouse*.

This tax is *in addition* to the estate tax that may be imposed on the account. For estates fully subject to the estate tax, the result can be that up to 70 percent of the value of your retirement plan will be consumed in taxes before your child, relative, or friend receives it.

Name Clay Art Center as the beneficiary of your retirement plan, then use other assets not subject to income tax to make gifts to your heirs. Clay Art Center, as a qualified 501c3, won't pay income tax on our distribution and your heirs will receive their share of your estate without the burden of extra taxes. ([sample beneficiary designation language](#))

If you're planning to make CAC one of your beneficiaries, we encourage you to tell us now. We can work with you and your advisors to make sure the bequest is planned and administered properly. It also gives us the opportunity to thank you and to welcome you as a member of the Planned Giving Society. Requests for anonymity are respected. Call 914-937-2047 or email Leigh Taylor Mickelson ([leigh@clayartcenter.org](mailto:leigh@clayartcenter.org)) or Wendy Weinstein ([wendy@clayartcenter.org](mailto:wendy@clayartcenter.org)) to let us know that you are a new member!