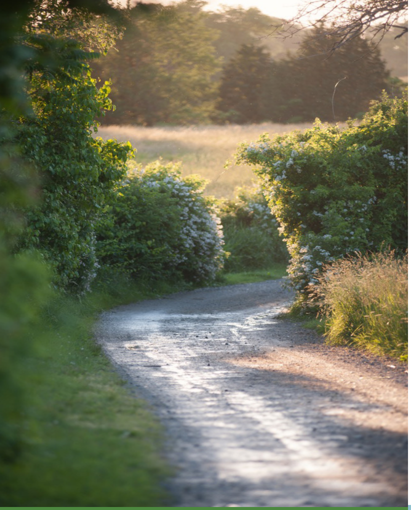

Greenbelt
Essex County's Land Trust

Leaving a Lasting Legacy

Charitable Bequest

of Retirement Funds through the Beneficiary Designation

A Bequest Gift to Greenbelt benefits generations to come.

Through a charitable bequest to Greenbelt, you can have a lasting impact on the farmland, wildlife habitat and scenic landscapes of Essex County for generations to come. Call Mary Williamson, at 978-768-7241, ext. 13, or email mew@ecga.org to discuss your vision.

Greenbelt strongly recommends that you also consult your attorney, financial or tax advisor, and/or estate planner when establishing or revising your estate plans.

AN EASY AND INEXPENSIVE GIFT

Beneficiary Designation
One of the easiest and least expensive ways to establish a charitable bequest to Greenbelt is through a direct distribution of retirement funds using the beneficiary designation option of your retirement plan.

Types of Retirement Plans
- Qualified pension and profit-sharing plans
- 401(K) pension and profit-sharing plans
- 403(B) tax-sheltered annuities
- Individual Retirement Account (IRA)
- Roth IRA
- Self-Employed Retirement Plans (Keogh and SEP/IRAs)

Tax Advantages
The majority of retirement plans are funded with pre-tax dollars. Assets in a retirement savings account grow tax-deferred until you withdraw funds during retirement. Upon withdrawal, however, you typically must pay income tax at the ordinary income rate.

A direct distribution using the beneficiary designation can eliminate all federal and state income and estate taxes on the funds gifted to Greenbelt. For example:

Traditonal Bequest via Estate	Retirement Plan Beneficiary Designation
$ 100,000	$100,000
- 28,000	- 0
$ 72,000	$100,000

A distribution to the estate will trigger income taxes to be due on the full amount in the retirement plan. The above example illustrates federal income taxes only, at the 28% rate. State income tax may also be assessed. However, no income taxes are assessed if a direct distribution is made to a charity.

RETIREMENT PLANS

Avoid Costly Consequences
If retirement funds are left to a spouse, tax is avoided due to the unlimited estate tax marital deduction, but the spouse pays federal and state income tax on withdrawals. However, if retirement funds are left to heirs other than a spouse, they are not only subject to federal and state income tax at the ordinary income rate, but are also included in your estate, and may have estate tax consequences.

Other types of assets, such as cash, stock or real estate, are typically better choices to leave to heirs, since they are not subject to federal and state income taxes, and under the current estate tax laws, stock and real estate receive a "bump up" in cost basis to the fair market value on the date of passing of the decedent.

Check with your Benefit Administrator
Determine if your plan will allow a beneficiary designation to a charity. By naming Greenbelt as the beneficiary of the account, you can gift all or a percentage of any assets remaining in the plan to Greenbelt. You may also want to consider creating a separate account within the retirement plan, so that Greenbelt becomes the sole beneficiary of that portion of the plan intended as a charitable bequest.

To be effective, the appropriate beneficiary designation must be made in advance with the retirement plan administrator, assuring that the transfer is made directly to Greenbelt, and the retirement funds do not enter the estate. If they enter the estate, they would be subject to federal and state income tax, and possibly estate taxes as well.

Learn more about the Greenbelt's Legacy Giving options:
www.ecga.org/legacy