American Legion Auxiliary

Planned Giving Guide

In the Spirit of Service Not Self
for Veterans, God and Country

The American Legion Auxiliary has been here for nearly 100 years. Plan to give now so we'll be here for future generations.
AMERICAN LEGION
AUXILIARY

Table of Contents

★ What Is Planned Giving? 2

★ The Importance of a Will 3

★ Does Any Amount Help the Auxiliary? 4

★ Why Planned Giving Is Important 5

★ Gifts Through Will or Trust 6

★ Gifts Through Retirement Plans 7

★ Gifts Through Life Insurance Policies 8

★ Other Options for Planned Giving 9

★ Sample Bequest Language 11

★ Important Points to Remember 13

★ Legacy Gifts 15

★ Planned Giving Frequently Asked Questions 17

★ For More Information 19

★ Notes 20

This guide introduces you to planned giving. No gift is too small. All gifts leave a lasting impact. This guide is not to be considered legal advice. It is intended to encourage you to think of your future, the Auxiliary's future, and to consult with the proper legal, financial, and tax professionals to help you accomplish your future giving goals.

What Is Planned Giving?

How does planned giving benefit the ALA?

Planned giving is the process of thoughtfully including a charitable gift in your estate plans. It is a planned gift made in life or at death as part of the donor's estate or financial planning. By contrast, things such as dues payments and regular donations come out of one's own discretionary income. These are budgeted gifts, not planned gifts.

Because the administrative costs of American Legion Auxiliary programs are paid from dues and other sources, all money contributed to the ALA is used to benefit the intended Auxiliary program, service, department, or the American Legion Auxiliary Foundation. An estate is anything you'll have left after your death. You don't need a large estate to give and make a lasting impact. As Linda Boone of the Department of Oregon said, "A lot of people feel like, 'Well, I don't have enough,' but sometimes we have resources when we die that we don't have (in life)."

Some of the more common means of planned giving:

- ★ gifts through will or trust
- ★ gifts through retirement plans
- ★ gifts through life insurance policies

PASSION

The Importance of a Will

Isn't It Only for the Wealthy?

Studies estimate that 92 percent of people under the age of 35 and more than half of those older than 35 don't have a will. You don't need to be wealthy to have a will. Dying without having established a valid will means your assets could be distributed to your heirs by the state, not necessarily how you would have wished.

It is never too early or too late to compose a will or estate plan. The future is impossible to predict, and unforeseen circumstances can arise. Be prepared. Plan now.

DID YOU KNOW?

Approximately 64 percent of adults do not have a will or estate plan. Making a will is easy and helps ensure your assets are distributed according to your wishes.

+ PURPOSE

Does Any Amount Help the Auxiliary?

Yes! No matter the size of any individual donation, collectively, every gift adds up to helping ensure the Auxiliary is here for generations to come. You can establish your legacy in the Auxiliary when you include the Auxiliary in your estate plans and other financial preparations — otherwise known as planned giving.

The American Legion Auxiliary has a legacy of giving back to our veterans, military and their families. Our members have established this tradition through nearly 100 years of mission-related programs that serve veterans and military, develop our youth, and promote patriotism in communities across America.

Poppy makers (from left) at the Indianapolis VA hospital in 1975: Vincent Macri of South Bend, Ind.; Carl Crittendon, 77, of Pacific Beach Post 255; Mrs. Ruth E. Coburn of Indianapolis Unit 479 and the hospital poppy chairman; and Clyde Fox, of Post 13, Dayton, Ohio.

PAST + PRESENT

Why Planned Giving Is Important

People of all backgrounds, education, and income levels rely on a variety of planned giving methods to provide for their loved ones as well as support beloved charities, such as the American Legion Auxiliary. In fact, many methods of planned giving ensure that assets that would otherwise be subject to heavy taxation are instead given to dear causes; this means the assets you leave loved ones are taxed less. Through planned giving, donors are able to meet their current and future financial needs while providing the Auxiliary with financial support later. You leave a lasting impact on our mission of Service Not Self for generations to come.

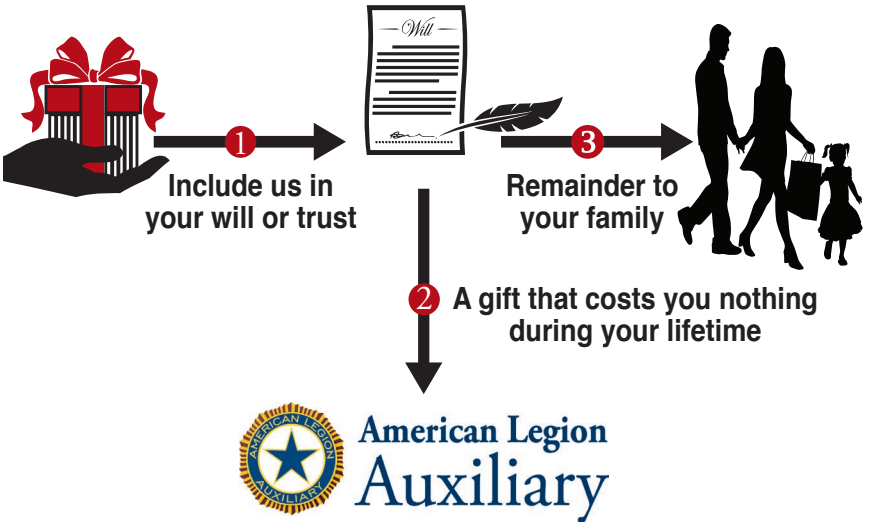
Individual gifts are critical to support the American Legion Auxiliary's wide range of programs and services vital to helping veterans, military, and their families. That need is increasing. A new generation of young, wounded veterans will need our help for decades to come.

DID YOU KNOW?

It's important to keep your plans up to date. Life changes like marriage, divorce, the birth of a child, or even new laws can make your old estate plan inadequate.

+ FUTURE

Gifts Through Will or Trust



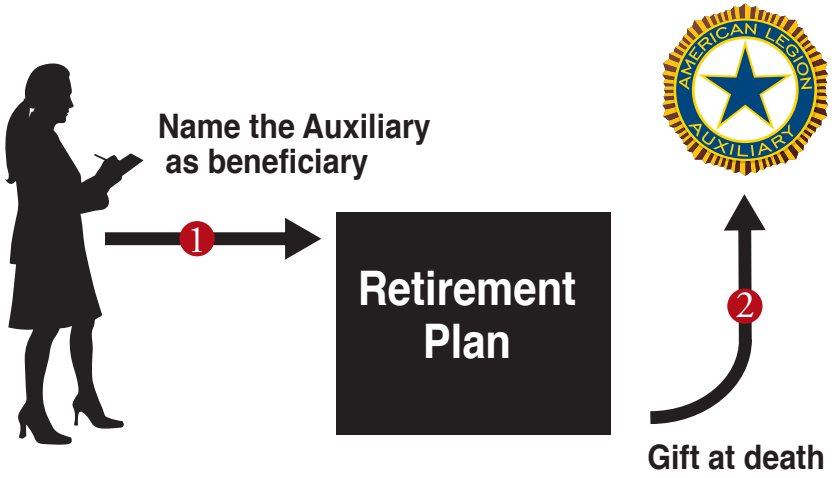
How it Works:

1) You include a bequest in your will or revocable trust.
2) Upon your death, your will or trust directs the bequest to the American Legion Auxiliary for the purpose(s) you specified.

Benefits:

1) You can change your bequest at any time.
2) Your assets remain in your control during your lifetime.
3) If your estate is subject to estate tax, your gift is entitled to an estate tax charitable deduction for the gift's full value.
4) You can direct your bequest to a particular program (please be sure to check with the American Legion Auxiliary, National to ensure your gift can be used as intended).
5) You have the satisfaction of knowing your bequest will ensure the American Legion Auxiliary lives up to the needs of our veterans and military families forever.

Gifts Through Retirement Plans



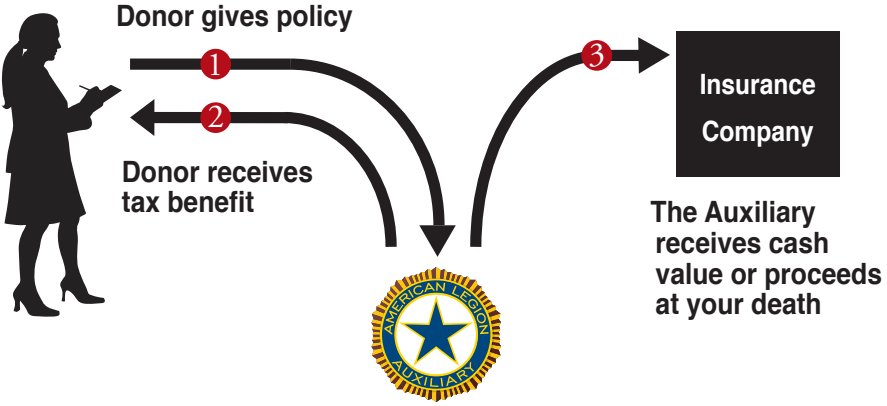
How it Works:

1) You name the American Legion Auxiliary as a beneficiary for a specific amount or percentage of your retirement plan benefits.
2) Upon your death, your plan administrator transfers those designated funds to the American Legion Auxiliary.

Benefits:

1) Your funds bequeathed to the American Legion Auxiliary will not be subject to federal income taxes, according to current tax law.
2) Please contact a professional tax advisor to check if your funds will have federal estate tax liability .
3) You have the satisfaction of knowing your gift will provide future support to the American Legion Auxiliary's mission.

Gifts Through Life Insurance Policies



How it Works:

1) You assign specific rights in an insurance policy to the American Legion Auxiliary and receive an income tax deduction.
2) The American Legion Auxiliary may either surrender the policy for its current cash value or hold it and receive the proceeds upon your death.

Benefits:

1) You receive a federal income tax deduction.
2) You can contribute a fully paid-up policy OR,
3) If premiums remain to be paid, you can receive income tax deductions for contributions to the American Legion Auxiliary to pay these premiums.
4) You can name the American Legion Auxiliary as owner and beneficiary of a new policy and make continuous gifts to offset premiums the organization will pay to maintain the policy. There is no charitable deduction for this option.
5) You have the satisfaction of knowing your gift will provide critical support to the American Legion Auxiliary in the future.

Other Options For Planned Giving

★ Charitable/Deferred Gift Annuity
You can give money or assets to the American Legion Auxiliary and in turn receive fixed payments for life from the Auxiliary.

★ Gifts of Real Estate
You can give the Auxiliary the remaining portion of your estate that remains after all administrative expenses, taxes, and specific bequests have been paid.

★ Stock and Appreciated Assets
Similar to bequeathing a life insurance policy or retirement plan, you can bequeath these assets to the Auxiliary.

★ Retained Life Estate
You deed a residence or farm to the Auxiliary now. You pay the property's taxes, maintenance fees, and insurance and retain the right to occupy, rent, or make improvements to the home. Upon your death (and/or person you choose to retain the rights), the Auxiliary receives the property.

★ Charitable Lead Trust
A trust designed to reduce beneficiaries' taxable income by first donating a portion of the trust's income to charities and then, after a specified period of time, transferring the remainder of the trust to the beneficiaries.

★ Charitable Bargain Sale
The sale of a good or service to the Auxiliary for less than the fair market value of the good or service received.

★ Unitrust
Similar to an annuity trust. The payment to beneficiaries is determined by multiplying a fixed percentage by the fair market value of the trust assets as revalued each year.

Patients at a New York Veterans Affairs hospital select gifts for their families at one of the many ALA Christmas Gift Shops in 1961. The gift shop program is still an important Auxiliary mission outreach for U.S. veterans around the world.

"I am grateful to the organization that gave me the opportunity to serve as one of its national leaders. I believe the choice of giving a planned gift at the end of my lifetime represents my caring connection with the American Legion Auxiliary. A connection that I believe continues to support the growth of programs and services to our veterans, their families, and the communities we live in for generations."

★ Rita Navarreté, Department of New Mexico

Sample Bequest Language

1) **Percentage of Total Estate for Unrestricted Purposes:** I hereby give and bequeath _____ percent (%) of my total estate to the American Legion Auxiliary, National Headquarters located at 3450 Founders Road, Indianapolis, IN 46268, to be used to support the American Legion Auxiliary mission.

2) **Percentage of Residual for Unrestricted Purposes:** I hereby give and bequeath _____ percent (%) of the rest and residue of my estate to the American Legion Auxiliary, National Headquarters located at 3450 Founders Road, Indianapolis, IN 46268, to be used to support the American Legion Auxiliary mission.

3) **Specific Amount for Unrestricted Purposes:** I hereby give and bequeath the sum of $_____ to the American Legion Auxiliary, National Headquarters located at 3450 Founders Road, Indianapolis, IN 46268, to be used to support the American Legion Auxiliary mission.

4) **Specific Amount for Specific Purposes:** I hereby give and bequeath the sum of $_____ to be used for _____ at the American Legion Auxiliary, National Headquarters located at 3450 Founders Road, Indianapolis, IN 46268.

5) **Contingent Bequest:** In the event that my spouse predeceases me, the Trustee shall distribute $_____ to the American Legion Auxiliary, National Headquarters located at 3450 Founders Road, Indianapolis, IN 46268, to be used to support the American Legion Auxiliary mission.

2017 American Legion Auxiliary Girls Nation participants. Beginning in 1947, ALA Girls Nation is the premier weeklong immersive learning program for female high school students in the country. ALA Girls Nation "senators" are one in 20 million!

"I have lived and breathed the ALA since I was 21 years old and I have to demonstrate that commitment. The ALA gave me so many opportunities that I have an obligation to pay that back. (Planned giving) is about being in control of your legacy; it's about being able to have the last word. A lot of people feel like, 'Well, I don't have enough,' but sometimes we have resources when we die that we don't have (in life). I'm not a rich person; I'm an average person. I want to focus all my philanthropy on something that can make a difference. I want to make sure we all realize it always takes money. We are the largest patriotic organization of women and we need to remain that and its always going to take resources. Start giving to the organization that's giving so many opportunities and is saving the lives of thousands of veterans."

★ Linda Boone, Department of Oregon

Important Points to Remember

★ You don't need a large estate to give and make a lasting impact. Regardless of how much or little you own or have in assets, your gift to the ALA is crucial.

★ You can give through wills, trusts, retirement plans, life insurance policies, charitable/deferred gift annuities, gifts of real estate, stock and appreciated assets, retained life estate, charitable lead trusts, charitable bargain sale, and unitrusts.

★ If you die without a valid will, your assets are distributed according to state tax rules, not your wishes.

★ You can change your will at any time at your discretion.

★ To include the American Legion Auxiliary in your will, you will likely need:
1) ALA's full legal name: American Legion Auxiliary
2) ALA's mailing address: 3450 Founders Road, Indianapolis, IN 46268
3) ALA's tax exemption identification number: 35-0144340
4) ALAF's tax exemption identification number: 26-1484144

★ The following can be used for a bequest of a general nature: "I give, devise and bequeath to the American Legion Auxiliary, federal tax identification number, 35-0144340, residing at, 3450 Founders Road, Indianapolis, IN 46268, the sum of _____ (or describe the real or personal property or percentage of your estate to be used for its general purposes)."

Disclaimer: *Neither the author, publisher nor organization are legal or tax advice providers. These examples are general and may not apply to all individuals. The purpose of this publication is to provide accurate and authoritative information of a general character. Prospective donors should consult their personal tax and financial advisors for specific details about making a gift to the American Legion Auxiliary. State laws govern wills, trusts and charitable gifts made in contractual agreements. Professional advice should be sought when considering these as well as all other gifts.*

1959 Miss Poppy, 7-year-old Candy Fisher, shown here with first lady Mamie Eisenhower and chaperone at the White House. Styles change, but the importance of the ALA to the U.S. Department of Veterans Affairs remains vital and everlasting. Donations to the Poppy Fund raise over $2 million annually, and 100 percent is distributed to veterans in need.

"(A planned gift) tells the organization that you believe in it to the point that you want it to continue even after you're gone and can't make a direct contribution. This is something that I've felt ever since I became active on the national level: We need to alert our members that (planned giving) isn't a big deal; it needs to be done. It's significant no matter how small or large it is. When you add that amount to a hundred other amounts, it amounts to something big. And that's what we need to carry on the work of the Auxiliary."

★ Linda Newsome, Department of Maryland

GIVE TODAY

Legacy Gifts

The American Legion Auxiliary Emergency Fund received a most generous gift from the late **Grace S. Schultz.** Grace was a Paid Up For Life Auxiliary member of Illinois' Unit 232. She enjoyed 74 years of continuous membership until her passing on July 21, 2010. She continued her legacy of giving through a charitable gift in her will, bequeathing $61,000 to the Auxiliary Emergency Fund. She directed similar contributions in her will, including the American Legion Auxiliary Square Unit 232 and The American Legion Square Post 232 in Illinois.

Lillian Vitelli left a generous gift to the Auxiliary Emergency Fund. Vitelli was a dedicated 12-year member of North Carolina Unit 24 until her passing on January 24, 2012. She chose to continue her legacy through a charitable gift in her will, bequeathing $5,000 to the Auxiliary Emergency Fund.

The American Legion Auxiliary received a special bequest from **Inez S. Shaffer**. She was a Paid Up For Life Auxiliary member of Wisconsin Unit 12 and enjoyed 24 years of membership in the Auxiliary. In her will, she left a legacy-creating unrestricted gift of $18,000 to the American Legion Auxiliary, National Headquarters.

Helen Colby Small of Burlington, Wisconsin, was a devoted member of Ross Wilcox Unit 79. She joined the Auxiliary in 1929 and was active until her passing in 1969. With her generous gift of $106,000, she enabled the American Legion Auxiliary to establish and initially fund the American Legion Auxiliary Emergency Fund in 1969. Because of Helen, the Auxiliary continues to offer grant assistance to its members.

FOR TOMORROW

The ALA is a family. I've grown up in this family. My parents signed me up when I was 4 days old. My entire family: parents, aunts, uncles, et cetera, are all gone. My whole family is the ALA. So, it makes sense for me to leave money to the Auxiliary — my family. The hardest part of a will or a trust is that you have to think about someday I'm not going to be here. And most people don't like to think about that. But, when you do it it's a really, really good feeling. I might not be here tomorrow, but when I'm gone, I can make a difference. We care so much about our mission, but we need to keep our mission alive so that when we're gone, the work continues. We go to meetings; we volunteer; sometimes we don't think beyond our own little time. And I think that's what people forget."

★ Nancy Brown-Park, Department of California

In 1947, ALA members Mrs. J.B. Kirkpatrick and Mrs. H. Whitehead show the true spirit of Christmas in Florida where the annual Joy Shop provided gifts to patients to send to their families. Joy continues to be spread by Auxiliary members in VA medical centers across the country.

Planned Giving Frequently Asked Questions

★ I'm not wealthy. So, even a small amount helps?

That's right! You don't need a large estate to give to the ALA and make your lasting impact. If every member who passed away since 2011 had bequeathed $100 to the Auxiliary, the total would have exceeded $9.5 million! Small amounts collectively add up!

★ How do I know which giving option is right for me?

Deciding on a planned gift is much simpler than it may appear:
Step 1: Consider your charitable passions.
Step 2: Identify your financial plans and goals.
Step 3: Talk with us about your desire to give.
Step 4: Discuss your ideas and goals with your personal accountant or financial advisor.
Step 5: Take the necessary steps to enact your goal and fulfill your charitable passions.

★ How will my planned gift be used?

Your generous donations go directly to the mission of the American Legion Auxiliary — to honor the sacrifice of those who serve by enhancing the lives of our veterans, military, and their families, both at home and abroad. For God and country, we advocate for veterans, educate our citizens, mentor youth, and promote patriotism, good citizenship, peace, and security.

★ Do I need to request a specific use for my gift?

No, you don't need to specify any particular use for your gift. In fact, we suggest giving an unrestricted gift so that your gift is used where the need is the greatest.

★ Can I donate to the American Legion Auxiliary Foundation?

Yes. Donating to the American Legion Auxiliary Foundation will postively impact the lives of our veterans, military, and their families by funding programs of the ALA today and for future generations.

★ Can I donate to my ALA Department?

Yes, you can bequeath a donation to your American Legion Auxiliary Department. Each state is different, so we encourage you to contact your department secretary to find out how to proceed.

★ Do I need to notify ALA National Headquarters if I intend to leave them a bequest?

While you do not have to notify ALA National Headquarters of your intent, we strongly suggest that you do. This will allow us to properly thank you for your support, learn more about your intent, and help you during the process.

2016 Salute to Servicewomen award recipients. The ALA has bestowed these awards for many years.

For More Information

The American Legion Auxiliary would like to encourage anyone considering a planned gift or who already has included the American Legion Auxiliary in their financial and/or estate plans to inform us of your intentions and allow us the opportunity to properly thank you for your generosity.

To learn more about your giving options, please visit www.ALAforVeterans.org or contact our Development Division at (317) 569-4500 or development@ALAforVeterans.org.

The American Legion Auxiliary gratefuly acknowledges our members mentioned in this guide. We thank them for their willingness to share their stories about the importance of including the American Legion Auxiliary in their estate planning.

Disclaimer

Neither the author, publisher nor organization are legal or tax advice providers. These examples are general and may not apply to all individuals. The purpose of this publication is to provide accurate and authoritative information of a general character. Prospective donors should consult their personal tax and financial advisors for specific details about making a gift to the American Legion Auxiliary. State laws govern wills, trusts, and charitable gifts made in contractual agreements. Professional advice should be sought when considering these as well as all other gifts.

Notes:

Give today so we can help him protect our freedom tomorrow

The American Legion Auxiliary Foundation ensures that our programs serve future generations of U.S. veterans, military and their families.

When you give to the American Legion Auxiliary Foundation, you help secure our mission and heritage of service to enhance the quality of life for those who serve us now and those who will serve us tomorrow.

Continue your legacy of service by sending a check or money order payable to:

American Legion Auxiliary Foundation
American Legion Auxiliary National Headquarters
3450 Founders Road
Indianapolis, IN 46268-1334

Photo: Aly Mae Images /Amanda Macer

AMERICAN LEGION AUXILIARY FOUNDATION

Visit us online at www.ALAFoundation.org

The American Legion Auxiliary Foundation is a 501(c)(3) public charity that supports the American Legion Auxiliary.
All gifts to the Foundation are tax-deductible as allowed by the United States Tax Code and U.S. Internal Revenue Service.

American Legion Auxiliary
Mission:

In the spirit of service, not self, the mission of the American Legion Auxiliary is to support The American Legion and to honor the sacrifice of those who serve by enhancing the lives of our veterans, military, and their families, both at home and abroad.

For God and Country, we advocate for veterans, educate our citizens, mentor youth, and promote patriotism, good citizenship, peace and security.

American Legion Auxiliary
National Headquarters
3450 Founders Road
Indianapolis, IN 46268-1334
P: (317) 569-4500 | F: (317) 569-4502
www.ALAforVeterans.org
www.ALAFoundation.org

© American Legion Auxiliary National Headquarters
All rights reserved. 06/2018
Produced in USA