



## About Retirement Plans - Questions & Answers

**Q: How can I use my retirement plan to support the REF mission?**

**A:** You can make future charitable gifts from your IRA by including the ACR Research and Education Foundation as beneficiary of any retirement plan assets, including Roth and traditional IRA's, Keoghs, 401 (k), or other plans. If you decide to include the REF as a beneficiary to your IRA assets, please designate a percentage of the benefits, not a dollar amount, so that your estate does not incur taxes on the gift.

Please contact your retirement plan administrator for a beneficiary designation form.

**Q: How is my retirement plan any different than my other assets?**

**A:** IRAs are not treated in the same manner as the rest of the property in your estate and may be subject to both income and estate tax. Unlike most assets, heirs other than a spouse or charity must pay income tax at their own income tax rate on the value of inherited retirement assets. Heirs are also responsible for potential state taxes on the full value of the retirement plan assets upon distribution.

Below are the types of federal taxes that can affect retirement plan benefits:

- Penalty tax on early distributions;
- Penalty tax on failure to meet requirements;
- Required minimum distributions;
- Income Tax;
- Estate Tax.

**Q: How can I reduce or eliminate taxes on my retirement plan?**

**A:** Although little about retirement plans is simple, there are a number of basic ways to begin to tackle the potential pitfalls of retirement plans and reduce or even eliminate the four potential federal taxes on IRAs.

We can show you creative solutions, through planned giving, based on your specific situation that could help benefit you or your family.

### PROPER CHARITABLE PLANNING CAN MAKE ALL OF THESE POSSIBLE

- Decrease your income tax;
- Reduce or eliminate potential estate taxes;
- Decrease the potential tax burden on your heirs;
- Establish your personal legacy.