

Naming a loved one or favorite charity a beneficiary is a heartfelt way to show you care. Be sure to go one step further and notify those beneficiaries of the choices you've made. That way, they can carry out your wishes as you intended.



#### 4 Commercial Annuities

Commercial annuities are tax-heavy assets to own, similar to retirement plans and IRAs. They carry an income tax burden when paid to your named beneficiary. The income tax is due on the growth of the annuity—in other words, what its value is worth when you die over what you paid for it. The tax burden makes these assets another popular choice to leave to a tax-exempt organization like ours.

The process to complete a gift from your commercial annuity is similar to the process for making gifts of retirement plan assets and life insurance—first, contact your bank or insurance company for a change-of-beneficiary form for the annuity. Then, decide what percentage of the annuity's value you would like us to receive and name us along with the stated percentage on the beneficiary form. Mail it back and keep a copy for your own records.



### The Importance of Updating Your Designations


Beneficiary designations can be modified at any time to meet your changing needs. Your assets may never reach your intended recipients if you've failed to keep the beneficiary designations up to date. Experts suggest reviewing them every two to three years when you look over your entire estate plan.

If you are considering a gift to our organization, we would be happy to work with you and your professional advisors to determine how your future gift through a beneficiary designation could impact our mission. Contact us today for more information.



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## The 4 Easiest Ways to Leave Your Legacy

# Don't Overlook Beneficiary Designations

## Make a Big Difference With Just a Little Effort

Although many people think of a will as the easiest way to transfer assets after their lifetime, it doesn't cover everything. In fact, retirement plans, IRAs, life insurance, donor advised funds and commercial annuities are not controlled by the terms of your will, but instead use separate beneficiary forms to determine who receives them. These beneficiary designations pass outside of your will, making them effective and easy ways to leave a legacy.

### 1 Retirement Plans and IRAs

If you want to make a difference at our organization after your lifetime, consider a tax-wise gift from your retirement plan or IRA. Here's why:

By way of background, usually an inheritance does not trigger taxable income either to your estate or heirs. There are, however, a few instances when a beneficiary must pay income tax on an inherited asset. Typically, a retirement plan or IRA will be the largest source of assets that generate taxable income when paid to the beneficiary. Therefore, if you are considering a gift to a charity after your lifetime, it is usually better to leave nontaxable assets (such as stocks and real estate) to your loved ones and the taxable assets (retirement accounts and IRAs) to tax-exempt charitable organizations, such as ours. See the chart *at far right* to compare the tax consequences.

To complete your gift, contact your retirement plan or IRA administrator and complete a beneficiary designation form naming our

organization as beneficiary and the percentage you'd like us to receive (1–100). Then mail it back to the plan administrator and keep a copy for your records. Beneficiary forms can be changed at any time without the formality associated with executing a will.

### 2 Life Insurance Policies

Maybe you once needed life insurance to provide security for your loved ones, but now your family's requirements have changed. Why not use the insurance policy to advance our mission? Not only will you make a substantial gift to us at a relatively low cost, but it is revocable at any time should your situation or financial priorities change.

You can designate our organization as the beneficiary for any percentage of your life insurance policy's death benefit. To complete your future gift, contact your insurance company or agent and request a beneficiary designation form. Then mail it back to the insurance company. Keep a copy for your records.

### 3 Donor Advised Funds

A donor advised fund is like a charitable savings account you set up at a qualified public charity, or more commonly at a community foundation or financial services firm, called the "sponsoring organization." It allows for centralized giving and gives you the flexibility to recommend how much and how often money is granted to charitable organizations. You can transfer cash or other assets to the sponsoring organization. In return, you qualify for an income tax charitable deduction for gifts to your donor advised fund.

You can open your own donor advised fund with a written agreement between you and the organization that gives you (or other family members) the right to recommend the distributions made from your fund. You can also create a lasting legacy by naming your loved ones as your successor to continue to recommend grants to charitable organizations or name us as a beneficiary to receive all or part of the account after your lifetime.



## Compare the Tax Consequences

### \$100,000 IRA Left to an Individual vs. Our Organization

IRA Beneficiary	Individual	Our Organization
Value of IRA at death	\$100,000	\$100,000
Federal income taxes*	-\$35,000	\$0
Net amount to beneficiary	\$65,000	<b>\$100,000</b>

\*Assumes a 35% marginal income tax bracket.



Thank you for being a dedicated supporter of the Diocese of Austin and its parishes. Your choice to be our advocate will help create a better future for the Diocese, its parishes, Catholic schools, and ministries.

Did you know that your dedication can last far beyond your lifetime?

It doesn't take a fortune to leave a legacy. With careful thought, you can create a plan for the future that reflects the compassionate and faithful person you are today as we continue being the hands and feet of Jesus Christ. **Get your FREE guide to the most popular ways to extend your love by returning the enclosed reply form.**

The enclosed mailing includes stories that will help you review and update your estate plan, and leave a legacy that reflects your values. Your estate plan has the potential to **create a lasting impression of your strong faith.** All you need to do is unleash that potential.

As we celebrate the 75th anniversary of the Diocese of Austin, we are grateful for your support and look forward to paving the way ahead for another 75 years. We invite you to sit down and visit with us to discuss how you can make a difference.

With gratitude for all you do,

A handwritten signature in blue ink that reads "Dan Wierzbowski".

Dan Wierzbowski  
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**P.S.** Return the enclosed reply form today to learn the four easiest ways to leave your legacy at the Diocese of Austin.

Don't forget that you can create your legal will for free by using the secure, online planning tool from our partner, FreeWill: <https://bit.ly/3RPsCdU>.

# Creating Your Legacy



## *Has Your Life Changed? Then So Should Your Estate Plan*

Ever look at the calendar and marvel at what year it is?  
Has that much time really gone by?

With time's passage comes change: Babies are born, loved ones depart. We move to a new town, start a new job. Laws get revised. We discover a new passion or cause. When changes happen, it's important that your estate plan reflects them. Here are key categories to consider:

### ■ **Timing:**

Did you write your will prior to 2001? A lot has changed in the world of estate taxes. For example, the amount you can leave to heirs without paying federal tax rose from \$675,000 to more than \$12 million in 2022.

### ■ **Residence:**

Legal requirements and taxes vary by state. If you've moved to a new state since creating your will, you'll want to see what impact that may have.

### ■ **Relationship status:**

A change in your marital or long-term relationship means you may want to alter your will and beneficiary designations.

### ■ **Children:**

Perhaps you now have children or grandchildren, and you want to ensure you have provided for them. Or, you created a will when the kids were young and they are now grown and financially stable.

### ■ **Family and friends:**

Our connections with people sometimes shift over time. You may want to increase or decrease the amount left to certain individuals or add and remove them from your will or beneficiary designations.

When creating or updating your will and other parts of your estate plan, we hope you consider the role the Diocese of Austin and the Catholic Church has played in your life, and how you can continue making a difference for years to come while still taking care of your family. **Contact us today to discuss your giving options.**

# Your Legacy Made Simple

## Do you want to change the world?

It's an easy question. *Of course* you want to make a difference. *Of course* you want to safeguard what matters most to you—the core values that have shaped your life and given it rich meaning are the root of the legacy you wish to leave behind.

But while the sentiment is easy to muster, it isn't always easy to act upon. If you care deeply about the needs of the Diocese of Austin, its parishes, Catholic schools, and ministries, how do you ensure your passion lives on far into the future?

Fortunately, there is a simple way to make sure what you love, lasts—and it's easier than you may think. Creating a **beneficiary designation gift** is simple and does not cost you anything now. Instead, it allows you to take savings you have accrued over time and put it to good use.

You can also designate percentages, so that your loved ones are protected.

## The following assets allow you to designate a beneficiary or beneficiaries:

- Retirement plans
- Individual retirement accounts (IRAs)
- Life insurance policies
- Donor advised funds
- Bank or brokerage accounts

The legacy you leave behind could help the Diocese of Austin continue strengthening the Catholic faith, securing a future full of hope and sharing our love of neighbor through direct service to those in need. The options are as endless as your generosity.

**All it takes is a few minutes** and a simple form to complete your gift. And you may even be able to change your beneficiary designation online. But, in the future, that small effort can result in transformative change for a nonprofit like the Diocese of Austin. Please contact Dan Wierzbowski today to learn more.

## Free Guide to Get More From Your Legacy

Ensure that your family doesn't take a tax hit from your inheritance. Request your **FREE** guide to see how your hard work goes further with a gift to the Diocese of Austin. Return the enclosed reply form to get your copy today.



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# Make a Difference Today

Please complete and return this reply form in the enclosed envelope today.



- I would like a FREE copy of *The 4 Easiest Ways to Leave Your Legacy*.
- I've already chosen to extend the blessings I've been given by including a gift to a Catholic organization in the Diocese of Austin in my estate plan. Please send me the benefits of being welcomed into the Perpetual Light Society.

**Thank you for your support of the  
Diocese of Austin!**

Name—Please print

Telephone

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Address

City, State ZIP