

LEGACY

of Love



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For Special Friends of the American Federation of Police & Concerned Citizens

TIPS FOR A SUCCESSFUL ESTATE PLAN

By taking the time to plan ahead, you can ensure your wishes are realized while avoiding mistakes that can have serious financial and emotional consequences for your family. The first step is to create your estate plan, which should include a will and possibly a living trust. If you don't have a will, see Page 2 for more insight on when to start your planning. Here are some helpful tips.

Review your plans regularly. A will or living trust can become "stale" if not updated for new births or deaths in the family, new assets, an increase or decrease in the value of the estate or relocation to another state.

Include all necessary documents. In addition to a will and/or living trust, your complete estate plan should include a health care power of attorney and a living will.

Have assets titled correctly. If you have a living trust, it's important to have assets titled in the name of the trust.

Coordinate all your assets. Some assets may pass independently of your will or living trust. For example, life insurance and retirement plans generally pass to the named beneficiary even if someone else is named in a will or trust.

Consider taxes. Very few estates are subject to estate tax (only those in excess of \$12.06 million in 2022), but state taxes may be a concern, as well as income taxes on certain things you own. Income taxes are due on amounts family members withdraw from an IRA, but if an IRA is left to charity, no income tax is owed.

Keep documents in an easily accessible place. Let loved ones know where your documents can be found so they can be located when needed.

Talk with your family. The contents of your will should not be a surprise to your family, especially if you're not dividing your estate equally.

Maintain support for important charities in your life. Just as your life has been more meaningful due to your involvement with charities, your estate plan will be more meaningful if you plan for continued support. After you take care of your loved ones, we would be honored to be included in your plans.

If we can provide more information to you or your advisors, please contact Barry Shepherd at 321-264-0911, extension #111.



INSIDE:

- ★ When To Start Your Estate Planning?
- ★ Let's Examine Bequests
- ★ Your IRA Provides Another Giving Option

WHEN TO START YOUR ESTATE PLANNING?

Have you created an estate plan? Have you thought about when you should establish the foundation to fulfill your future objectives? At what age should individuals start thinking about writing a will or making other estate plans?

Even though, in most states, the only legal requirements for making a will are that a person is 18 or older and of sound mind, the need for a will and other estate plans exists when a person assumes family responsibilities or accumulates property to warrant planning for its distribution.

A TIME FOR PLANNING

Given the uncertainty of the last two years—a global pandemic as well as other social and economic challenges—many of us have begun to prioritize our estate planning. Some already have an estate plan, while many others, more than half the adults in America, don't have a basic will. It's never too early to plan, not just for your own future but the futures of the others who give your life meaning and purpose, such as the charities you care about, for generations to come.

Here are some important things to consider:

- ★ Parents with minor children need wills to select the people they want to serve as guardians should the need arise. Otherwise, a court might appoint a guardian who does not share the parents' personal or religious values.
- ★ Parents should consider establishing trusts in their wills to provide financial management and protection for their minor children.
- ★ Individuals providing financial support for older relatives or a family member with special needs should carefully plan for their continued support.
- ★ Everyone, regardless of age, needs to provide health care directives, such as a health care power of attorney, in the event they become disabled and cannot make decisions on medical treatment.
- ★ Anyone who wants to continue their charitable support after their lifetime by including the causes they care about, like AFP&CC, in their wills, living trusts or retirement plan beneficiary designations should create and maintain an estate plan.

If you are ready to start working on your will and other long-range plans, please contact us or your financial advisors.

SAMPLE BEQUEST LANGUAGE

To include AFP&CC in your will or trust, the following is suggested wording to take to your attorney:

“After fulfilling other provisions, I give, devise and bequeath _____% of the rest, residue and remainder of my estate (or \$_____ if a specific amount) to the American Federation of Police & Concerned Citizens (tax ID #52-1127259), a charitable corporation presently having offices at 6350 Horizon Drive, Titusville, FL 32780.”



Visit afpc.givingplan.net to see additional ways you can make a gift in support of the work we do for the families and survivors of fallen officers.



LET'S EXAMINE BEQUESTS

One of the most common ways to support your charitable interests, such as AFP&CC, is through a gift in your will—called a bequest. There are a few different forms of bequests. Compare their differences in the explanations below.

The Residuary Bequest. This directs that we receive either everything remaining in your estate or a designated percentage of your estate after all necessary costs, all general bequests and all specific bequests are satisfied. This allows you the flexibility of making several primary bequests while still giving you the assurance that we will be a secondary beneficiary of your estate.

The Percentage Bequest. The percentage bequest states that we will receive a certain predetermined percentage of your estate (like 10% or 25%).

The General Bequest. The most familiar type is the general bequest, which specifies that we will receive a designated sum. For example, you might make a general bequest of \$25,000. You may prefer

this arrangement because it is considered a “primary charge against your estate” (which means it will almost certainly be fulfilled).

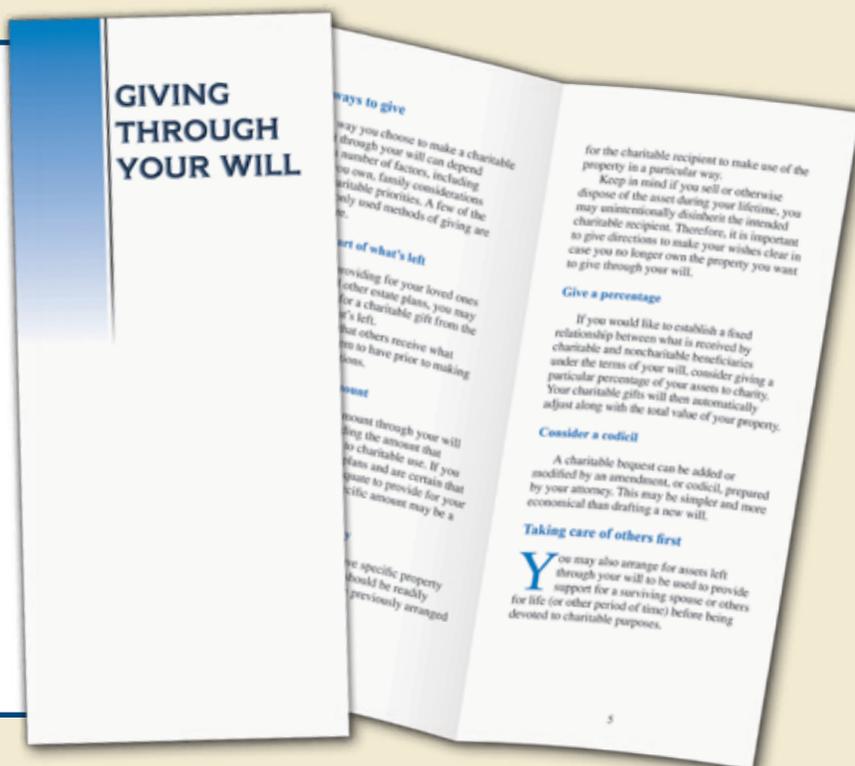
The Specific Bequest. When making a specific bequest, you are directing that one particular property be transferred to us, such as a certain piece of real estate, the stock from a named company or some other designated property.

The Contingent Bequest. As the name implies, this bequest is “contingent” on some event. For instance, you might make a primary bequest to a relative, with the contingency that if that relative is not living at the time of your death, the bequest will pass to charity.

We are happy to provide you or your advisors with more information about including AFP&CC in your plans. Please return the enclosed reply card, visit our website at afpcc.givingplan.net, or contact Barry Shepherd at 321-264-0911, extension #111 or Barrys@aphf.org.

DIFFERENT WAYS TO GIVE

As you prepare your estate plans or review them periodically, it's a good idea to check out the various methods available to make charitable gifts through your will. There are many aspects to consider, like the needs of your family and the types of assets you own as well as your charitable priorities. Learn about the different methods of including charitable gifts in your estate plan in our booklet, “Giving Through Your Will.” Return the enclosed reply card to request a copy today.



YOUR IRA PROVIDES ANOTHER GIVING OPTION

There are other choices to support your charitable interests besides those mentioned in the previous pages. It is wise to consider how to make your charitable gifts so they can be beneficial to you and the charities you support, like AFP&CC. In addition to the personal satisfaction that comes from giving, you might also realize tax benefits.

Make a meaningful gift

If you are age 70½ or older, you can make charitable gifts directly from individual retirement accounts (IRAs) using funds that might otherwise be taxed when withdrawn (up to a total of \$100,000 per individual per year).

Because most funds withdrawn from IRAs are considered to be income, your total taxable income is increased, pushing you into a higher tax bracket. Distributions directly to charity from your IRA will not, however, be included in your taxable income whether or not you normally itemize your charitable gifts and other deductible expenses.

Such gifts can also count toward any required minimum distribution (RMD) for the year. (Due

to a change in the law, individuals who turn 70½ in 2020 or later can postpone RMDs until age 72.)

Here are some advantages of giving to AFP&CC through your IRA:

- ★ You do not owe taxes on the withdrawal, while the amounts given still count toward your RMD amount.
- ★ Some taxpayers are subject to limits on the amount of their charitable gifts that they can deduct. These limitations do not apply to direct IRA transfer gifts, called qualified charitable distributions (QCDs).
- ★ You won't increase your adjusted gross income and possibly subject your other income to higher levels of taxation.

Are you ready?

If you are interested in making an IRA gift to AFP&CC this year, ask your IRA custodian for a form to arrange for a QCD. Or for more information, return the enclosed reply card or contact us.



Dear AFP&CC,

My sons are always so grateful to receive their packages. My oldest Malakai, now 12, even knows when to start watching for them. He calls them his presents from The Police Officer Station. I am so thankful for your organization and the donors and volunteers that come together to make sure my Gabe, our family and our boys are not forgotten.

THANK YOU KINDLY, from the bottom of my heart,

Angie



Barry Shepherd



AMERICAN FEDERATION OF POLICE & CONCERNED CITIZENS

POLICE FAMILY SURVIVORS FUND

A Nationwide Program to Help Families of Officers Killed in the Line of Duty

For more information, contact: Barry Shepherd • 6350 Horizon Drive • Titusville, FL 32780 • 321-264-0911 extension # 111 • www.afp-cc.org • Barrys@aphf.org