

## Bequest Arrangements

The easiest way for you to make a legacy gift to Spectrum Health Foundation is through a bequest in your will or revocable trust. The tax laws encourage charitable bequests, so it is an excellent way to support essential programs while reducing your actual or potential estate taxes.

A will is a statement about what matters most in your life. By making a will you can clearly express your intentions. Your executor will follow your wishes in administering your estate.

After providing for family and friends, continue your lifetime of support by considering a meaningful gift to Spectrum Health Foundation. Bequest gifts can take many forms, including a specific gift amount or gift type, a percentage of the estate, a percentage of the residue of an estate, or the entire residue considering all other provisions of your will. Or a bequest can be contingent, which takes effect only after other provisions cannot be satisfied.

**Specific Bequest:** This popular type of bequest is used by donors to designate a specific dollar amount or piece of property to Spectrum Health Foundation. As with any charitable bequest, the estate receives a charitable estate tax deduction for the full amount of the bequest.

**Example:** John Doe wills \$10,000 to Spectrum Health Foundation

**Sample Language:** I give to Spectrum Health Foundation, a Michigan not-for-profit corporation, federal tax ID number 38-2752328, the sum of \$10,000 for its general uses and purposes.

**Percentage Bequest:** The donor gives Spectrum Health Foundation a percentage of the estate.

**Example:** John Doe gives 25 percent of his estate to Spectrum Health Foundation and the balance of 75 percent is divided between his brother and sister.

**Sample Language:** I give to Spectrum Health Foundation, a Michigan not-for-profit corporation, federal tax ID number 38-2752328, 25 percent of my estate for its general uses and purposes with the balance divided equally between my brother, Sam Doe, of ABC Hometown and my sister, Mary Doe, of ABC Hometown.

**Percentage of the Estate Residue:** After making specific bequests to family and friends, the donor's estate is divided among other charities that may include Spectrum Health Foundation.

**Example:** Jane Doe leaves \$200,000 of her estate to several friends and family members. She instructs her executor to distribute 50 percent of the balance to Spectrum Health Foundation and 50 percent to her church.

**Sample language:** All the rest, residue and remainder of my estate, of whatsoever kind are wheresoever situate, shall be distributed as follows: 50 percent to the Spectrum Health Foundation, a Michigan not-for-profit corporation, federal tax ID number 38-2752328, for its general uses and purposes and 50 percent to ABC Church.

**Residue of the Estate:** After providing several specific bequests to family and friends, leaves 100 percent of the residue to Spectrum Health Foundation.

**Example:** John Doe leaves his nieces and nephews \$200,000 in several specific bequests and instructs his executor to distribute the balance of his estate to Spectrum Health Foundation to place in its endowment fund.

**Sample language:** All the rest, residue and remainder of my estate, of whatsoever kind and wheresoever situate, shall be distributed to Spectrum Health Foundation, a Michigan not-for-profit corporation, federal tax ID number 38-2752328, to be deposited into its general endowment fund.”

**Contingent Bequest:** This type of bequest takes effect only if all other conditions fail. This will ensure the property will pass to Spectrum Health Foundation rather than unintended beneficiaries.

**Example:** If John Doe’s brother dies before him, John leaves his bequest to Spectrum Health Foundation.

**Sample language:** I give my brother Sam Doe, of ABC Hometown, the sum of \$25,000. If my brother Sam Doe is not living at the time of my death, I direct the amount due to him to be paid to Spectrum Health Foundation, a Michigan not-for-profit corporation, federal tax ID number 38-2752328, for its general uses and purposes.

**Bequest Establishing a Charitable Gift Annuity:** One of the most beneficial plans for leaving income of assets to an heir is to use your will to establish a charitable gift annuity agreement in the heir’s name. A charitable gift annuity provides your heir(s) a fixed guaranteed lifetime payment and provides your estate an estate tax charitable deduction. The rate of payment is established by the beneficiaries’ age when the agreement is funded. Spectrum Health Foundation will receive the proceeds of the annuity upon the beneficiary’s death and apply the proceeds to the project or program you select.

**Example:** John Doe wills \$100,000 to Spectrum Health Foundation for a charitable gift annuity.

**Sample Language:** I give Spectrum Health Foundation, a Michigan not-for-profit corporation, federal tax ID number 38-2752328, the sum of \$100,000, provided the foundation shall pay an annuity to my spouse, Sally Doe, during her lifetime at the then rate being paid by the foundation to annuitants of my spouse’s age and sex at my death. The annuity shall be non-assignable. The payments are to be made quarterly and shall end with the quarterly payment, preceding my spouse’s death. I intend to make a charitable gift to the foundation and provide an annuity for my spouse. If the foundation has no annuity program or for any other reason is unable to obligate itself to make annuity payments to my spouse, I give \$20,000 to the foundation for its general purposes and direct my executor to purchase for \$80,000 from a life insurance or annuity company of good standing in the United States a non-assignable annuity contract providing for the payment of an annuity, quarterly, to my spouse during her lifetime at the then rate being paid by such company to annuitants who are my spouse’s age and sex at the time of purchase of the annuity. If my spouse does not survive me, I give \$100,000 to the foundation for general uses and purposes.

**For more information visit our website at [give.spectrumhealth.org/plannedgiving](http://give.spectrumhealth.org/plannedgiving)**

This information is not intended as legal or tax advice and is taken from sources believed to be reliable, however is not guaranteed as to completeness or accuracy. Figures cited in examples are for hypothetical purposes only and are subject to change. References to estate and income taxes typically include federal taxes only; state income/estate taxes or state law may impact your results. You are encouraged to seek the advice of your financial planner, attorney, and/or tax advisor to make certain that a contemplated gift fits well into your overall circumstances and planning.