

Leaving a Legacy for Equality

Leaving a legacy gift for Lambda Legal is one of the most significant charitable acts you can make to secure and protect the full equality of lesbians, gay men, bisexuals, transgender people and people living with HIV. A legacy gift is a wise investment that may provide valuable tax benefits and income both for you and your loved ones. For instance, a legacy gift allows you to make a meaningful difference now without affecting your income.

Upon making a legacy gift, you become a member of the Guardian Society—a growing group of individuals who have taken the extra initiative for the future of equality by including us in their estate plans. It's simple: Just make Lambda Legal a beneficiary in your will, retirement plan, life insurance, trusts or other estate planning vehicles, or establish a charitable gift annuity (CGA).

To find out more, call Lambda Legal at (212) 809-8585. Here's how you can establish your legacy for equality at Lambda Legal.

Please note: This information is not legal or tax advice. Consult a professional regarding your specific tax and other potential legal obligations.

BEQUESTS

Use your will to make a charitable bequest to Lambda Legal.

Including Lambda Legal in your will (making a bequest) allows you to make a meaningful impact on the fight for equality without having to give up crucial assets needed during your lifetime.

How it works: A charitable bequest to Lambda Legal made in your will can take many forms:

- You can designate a percentage of your estate.
- You can designate a specific sum of money.
- You can leave an asset, such as real estate, securities or other property.
- You can leave the remainder of your estate after other beneficiaries receive the portions you designate.
- You can make Lambda Legal the contingent beneficiary of your estate if your spouse/partner or other beneficiaries pass away before you.
- You can also create a charitable trust in your will to benefit Lambda Legal.

With all of these methods of bequests, you can designate exactly how you want the funds to be used or you can make an unrestricted bequest, which allows Lambda Legal to use your contribution wherever it is needed most.

For bequests conveyed to Lambda Legal through a will, you receive no

tax benefits during your lifetime, but when you die the value of the bequest may be deducted from your taxable estate, relieving your loved ones of possible added estate tax burdens. Our full name and Tax ID number, respectively, are Lambda Legal Defense and Education Fund, Inc., 23-7395681.

RETIREMENT ASSETS

Make sure that the beneficiary designations for your retirement assets include Lambda Legal as a beneficiary.

You worked hard to save money for your retirement. Donating to Lambda Legal is a way to make sure that the remaining funds in your retirement account will help support the issues you care about. Retirement assets left to anyone but a married spouse can be subject to high estate taxes.* When left to Lambda Legal, the full value of your remaining retirement assets will go directly to the organization. That's why many donors name Lambda Legal as the beneficiary of their retirement plans.

How it works: To make a gift of retirement assets, such as a 401(k), 403(b), IRA or pension fund, you can simply name Lambda Legal as the beneficiary or contingent beneficiary of all or part of your retirement account, at least for those in plans that allow you to name beneficiaries. When you die or if your primary beneficiary does not survive you, the remaining assets will go to Lambda Legal. Please note that there are significant taxes associated with leaving retirement assets to individuals.

Depending on the type and amount of retirement assets you own, the estate taxes could cut those assets nearly in half, and income taxes on the proceeds to your beneficiary could then cut the leftover amount even more! But retirement assets left to a nonprofit organization are not taxed at all.

LIFE INSURANCE

Include Lambda Legal as the beneficiary of your life insurance policy.

For many people, life insurance policies are less important later in life, when financial obligations like the cost of raising and educating children and paying a mortgage tend to decrease. This makes a gift of life insurance an excellent planned giving vehicle. It enables supporters to leverage relatively modest premium payments into a significant contribution toward Lambda Legal's fight for equality. In short, this tool helps you get the most value for your money.

How it works: There are a number of ways to make a gift of life insurance to Lambda Legal. You can name Lambda Legal as the beneficiary of all or a portion of the proceeds of your policy, or you can transfer ownership of the policy to Lambda Legal outright. You can also name Lambda Legal as the contingent beneficiary of your policy.

- When you donate your life insurance policy to Lambda Legal, you can claim an immediate income tax deduction for the current value of the policy and your future

*The assessment of estate taxes for same-sex spouses is an evolving issue in the aftermath of the Defense of Marriage Act's demise. Please consult a tax practitioner regarding your own financial situation.

premium payments are also deductible.

- If your beneficiary is also an heir to your estate, estate taxes could reduce the proceeds he or she receives by as much as half. If you own a substantial life insurance policy and want the proceeds to pass to your beneficiaries tax-free, then you may need an Irrevocable Life Insurance Trust (ILIT). An ILIT is a trust that owns life insurance policies and thus removes the insurance proceeds from your taxable estate, as long as certain conditions are met.

CHARITABLE TRUSTS

If you have significant assets, establish a charitable trust to provide for your loved ones while they are alive and have the remainder in the trust go to Lambda Legal.

Charitable trusts offer supporters a way to provide for their loved ones while also supporting Lambda Legal—either immediately through a “charitable lead trust,” or after a period of time through a “charitable remainder trust.”

How it works: Charitable remainder trusts are created by transferring assets into a trust, which provides income to your spouse/partner, children, a friend or even to yourself over a period of time. After a period of time passes, the principal transfers to Lambda Legal. A charitable lead trust functions like a mirror image of a charitable remainder trust. You create a charitable lead trust by transferring assets into the trust. The trust then pays Lambda Legal an annual income for a fixed

number of years, after which the principal held in the trust reverts to either you, your spouse/partner, children or any other beneficiaries you name.

When you create a lifetime charitable trust, you will receive an immediate tax deduction based on Lambda Legal’s remainder interest in the trust and avoid estate taxes. If you create a lifetime charitable trust with an appreciated asset, you also defer capital gains taxes.

CHARITABLE GIFT ANNUITIES

Establish a charitable gift annuity (CGA) with Lambda Legal to provide you or your beneficiary income during your or their lifetime, with the remaining balance transferred to Lambda Legal upon the beneficiary’s death.

An important concern for many retirees is living income. Finding the right investments and uses for cash, securities and other property that you may have accumulated during your working years is an important part of a solid retirement strategy. When left to your spouse/partner or other loved ones, these assets may be subject to high estate taxes. That’s why it’s important to use your assets to generate income so that you and your spouse/partner can enjoy them during your lifetime—before the government takes a sizable bite out of them.

How it works: Lambda Legal’s CGA program offers supporters starting at age 55 a way to generate income in retirement, while helping us make the case for equality on behalf of LGBT people and those living with HIV. You can establish a CGA with an irrevocable gift of

CHARITABLE GIFT ANNUITY (CGA) RATES

CHARITABLE GIFT ANNUITY (CGA) RATES VARY DEPENDING ON THE AGE OF THE BENEFICIARY. THE OLDER THE BENEFICIARY, THE GREATER THE ANNUITY RATE. HERE IS A SAMPLING OF THE RETURN YOU MIGHT RECEIVE ON YOUR ONE-LIFE LAMBDA LEGAL CGA:

AGE*	RATE
60	4.4%
65	4.7%
70	5.1%
75	5.8%
80	6.8%
85	7.8%
90+	9.0%

Rates as of 7/1/13
*(at time CGA established)

\$10,000 or more to Lambda Legal. Depending on your age and the size of your gift, you will receive guaranteed fixed payments for life at rates that are often higher than you might receive on another investment.

You will receive an immediate tax deduction based on Lambda Legal’s remainder interest in the annuity, and part of your annuity income will be tax-free. If you fund an annuity with appreciated securities, you can defer capital gains taxes as well.

LAMBDA LEGAL OFFERS THE FOLLOWING TYPES OF CGAS:

One-life CGA: Only you or your designated beneficiary (minimum age of 60) will receive income from your contributions. The rate of return is greater than if two people are designated to receive income.

Two-life CGA: You can provide income for you and a designated second, successive beneficiary. The age of both will be used to calculate your rate of return and the tax deductible portion.

Deferred CGA: Ideal for younger donors or those who have not yet retired. It can be purchased at age 55 or older. You can defer receipt of payments on your one-life or two-life CGA until after you (and/or your designated beneficiary) reach age 60.

HOW TO INCLUDE LAMBDA LEGAL IN YOUR WILL

If you're like many of us, you've probably overlooked some aspects of life planning. Now is the time to assess any gaps in planning for your future and to be as thorough as possible in reviewing the best options for yourself and your loved ones.

To make a bequest to Lambda Legal, you will need to use the correct language in your will: "I hereby give and bequeath [cash amount, percentage amount, or property you are giving] to Lambda Legal Defense and Education Fund, Inc. New York, New York, for its general purposes." To ensure that your wishes are followed exactly, we suggest including Lambda Legal's full name and address in your will:

LAMBDA LEGAL DEFENSE AND EDUCATION FUND, INC.

120 WALL STREET, 19TH FLOOR

NEW YORK, NY 10005-3919

501(C)(3) TAX ID NUMBER: 23-7395681