



# PLANNED GIVING PROGRAM: A GUIDE

LightHouse for the Blind & Visually Impaired



Every blind and low vision person, from a senior experiencing Macular Degeneration to a child born with sight impairment has the right to live, learn and work alongside sighted neighbors, friends and family. The LightHouse is a community for the blind, advocating for the right to travel safely, offering teaching tools and skills to live with independence and giving people the support and inspiration to pursue their dreams. Since 1902 LightHouse for the Blind has been dedicated to helping blind, low vision and deaf-blind people live with confidence.

## LETTER FROM THE EXECUTIVE DIRECTOR/CEO, BRYAN BASHIN



Dear Friend,

For more than a century, LightHouse for the Blind has succeeded because of a special class of philanthropists. Sometimes shy or modest, sometimes high-profile, these public-spirited people took a little time to create a tangible legacy that would be appreciated by future generations.

The collective love demonstrated by these substantial gifts has made the LightHouse an unusually stable and capable organization. It has allowed us to own outright our principal offices throughout Northern California. It has given us the confidence to launch new programs which won't pay for themselves in the first or even second year, but are valuable enough for us to believe in. For example, we purchased a large and well-situated manufacturing building in San Leandro, where blind employees provide 75 percent of the direct labor to produce items for contract to the government. This creates the opportunity for 50 blind employees to get a regular paycheck in San Leandro because the LightHouse had the philanthropic backing to make this happen.

Similarly, when we began our new Employment Immersion program, we hired program staff to assist blind jobseekers in finding work in this competitive economy. The program initially ran in the red, but legacies like the one you are contemplating made it possible for us to invest in our blind jobseekers. Two years after its launch, the combined salaries of those we helped exceeded \$1.1 million. It truly couldn't have happened without the long-time stability given by people like you.

And the list goes on. A \$2 million bequest in 1998 allowed us to renovate much of the infrastructure at our Enchanted Hills Camp, and since then we've hosted another 7,500 campers in a facility few organizations could compete with. Large and small bequests are making it possible for us to look toward a lovely, well-managed and safe camp for the next 63 years.

The LightHouse invites discussion with people like you who would like to leave a loving legacy in our community but may not know exactly how to start going about it. Here is where we can help. By taking the time to meet with us now you can ensure that the rewards of your long life can go to the programs you find worthy, rather than disappear in a maze of fees, taxes and government red tape.

Speaking to friends of the blind is always the highlight of my work. Please feel free to call me directly or contact our Development Director to see how easy and straightforward it can be to make your love tangible to our community.

Kind Regards,

*Boya Besh*





## JOIN THE PARK CHAMBERLAIN HERITAGE SOCIETY

You perform a wonderful service when you pledge a planned gift of any amount to the LightHouse and become a member of the Park Chamberlain Heritage Society.

Park Chamberlain was a dedicated donor who gave to the LightHouse and Enchanted Hills Camp for many years until his passing. We were grateful when we learned that he left his single largest gift to Enchanted Hills Camp through a bequest. So that Mr. Chamberlain's philanthropy is not forgotten and to express our deepest appreciation, we have created the Park Chamberlain Heritage Society so that other generous LightHouse supporters feel inspired to pledge a planned gift.

By including the LightHouse in your will, you help to invest in and sustain LightHouse for the Blind's future. We have received many bequests over the years from thoughtful donors, enabling us to plan, strategize and improve our programs that touch the lives of thousands of low vision and blind individuals. For these gifts, we are profoundly thankful. A bequest of any size is a powerful gift that conveys generosity, as well as a commitment to helping blind and low vision individuals live their lives to the fullest.

*“Careful financial planning can be beneficial to you and your heirs and allow you to leave an enduring legacy that supports the LightHouse now and in the future.”*

# BENEFITS AND COMPARISON OF DIFFERENT TYPES OF PLANNED GIFTS

Planned gifts can be an advantageous way to provide for a future gift to the LightHouse, while reducing tax burdens and providing income for life. You can take care of yourself and support the life-changing programs of the LightHouse. The benefits of various types of planned gifts are outlined here.

<b>GIFT TYPE</b>	<b>MINIMUM GIFT AMOUNT</b>	<b>ASSETS THAT CAN FUND A GIFT</b>	<b>POTENTIAL TAX BENEFITS</b>	<b>OTHER BENEFITS</b>
Charitable Bequest	N/A	Cash, securities, real estate, other appreciated assets	Estate tax deduction	Costs nothing today
Charitable Remainder Trust (Annuity or Unitrust)	\$100,000	Cash, securities, real estate and other appreciated assets	Income tax deduction, avoidance of capital gains	Receive lifetime income, diversify your holdings
IRA Beneficiary Designation	N/A	Retirement plan	Estate tax deduction, avoids excessive taxation of heirs	Easy gift to make
Life Insurance Beneficiary Designation	N/A	Insurance plan	Estate tax deduction	Reduces size of estate
Retained Life Estate	N/A	Real estate (vacation home or primary residence)	Income tax deduction	Remain in your home, doesn't affect your lifestyle
Charitable Lead Trust	\$100,000	Cash, securities, real estate and other appreciated assets	Income tax deduction, estate tax deduction	Receive fixed lifetime income, diversify your holdings
Charitable Gift Annuity	\$10,000	Cash, securities	Income tax deduction, deferral or reduction of capital gains tax	Pass assets to heirs



*“A bequest is one of the simplest ways to provide continuing support for the LightHouse.”*

## CHARITABLE BEQUESTS

By including LightHouse for the Blind and Visually Impaired in your will, you can specify that some or all of your assets come to us after your lifetime. At that time, the asset(s) you specify will pass to us, and your estate can take a charitable deduction for the amount of your bequest, reducing the estate taxes payable.

The most common form of planned gift, a charitable bequest, is a provision in your Will that allows you to leave a specific amount or specific asset to the LightHouse, such as an outright gift of cash, securities, or other property. Here is sample wording to earmark a bequest to LightHouse for the Blind:

*“I, hereby Give, Devise and Bequeath dollar amount (\$\_ ) or percentage ( %) of the rest, residue and remainder of my estate or specific asset(s) ( ) to LightHouse for the Blind and Visually Impaired, located at 214 Van Ness Avenue in San Francisco, CA to be used for its general purposes (or specific program such as Enchanted Hills Camp for the Blind)”*

## LIFE INCOME GIFTS

A Life Income Gift is a highly effective way to contribute assets to LightHouse for the Blind, while allowing you to have regular income for yourself and others for the remainder of your life, their lives or a fixed term of years. Your age, assets, and income objectives can help you determine the best type of Life Income Gift. A fixed income option is a Charitable Remainder Annuity Trust (CRAT), while a variable income option is a Charitable Remainder Unitrust (CRUT).

### *Charitable Remainder Annuity Trust (CRAT)*

A CRAT allows you to secure a steady stream of income and reduce your taxes while helping to support LightHouse for the Blind. To create a CRAT, you place assets into an irrevocable trust and name a trustee (for example, a bank trust department). The trustee invests the assets (which can grow tax-free) and pays a fixed dollar amount to the trust beneficiaries (yourself, your spouse, your children, or whomever you designate) for life or for a set term of years. When the last income beneficiary dies or the trust's term ends, the trust dissolves, and the remaining assets are distributed to the charitable beneficiary. This option may be the right one for you if you are concerned about meeting your current financial needs.





## *Charitable Remainder Unitrust (CRUT)*

A CRUT works the same way as a CRAT, with this main distinction: the income distributed is not a fixed amount. Instead, with a CRUT, you or your family receive a lifetime or term income that is a percentage (by law, a minimum 5 percent) of your trust's assets valued annually. Income payments increase or decrease with the changing value of the trust.

The unitrust provides a potential hedge against inflation as income payments may rise over time. In addition, the unitrust can be structured to defer income and maximize growth (for retirement planning, for example) or to handle specific types of assets.

Another benefit to both the CRAT and CRUT is that no capital gain should be recognized by you upon contribution of appreciated property to the trust. Furthermore, you would be able to diversify your holdings within the trust without triggering capital gain.





## DESIGNATING LIGHTHOUSE AS A BENEFICIARY OF AN INSURANCE POLICY OR RETIREMENT PLAN

You can name LightHouse for the Blind as a primary beneficiary of your life insurance policy or as a contingent beneficiary, should your other beneficiaries not survive you. After your lifetime, the benefits from your policy would pass to LightHouse for the Blind free of federal estate tax. To establish this type of gift, you simply request a “Change in Beneficiary Designation” form from your insurance agent.

By naming LightHouse for the Blind as beneficiary of your retirement plan, you may save your beneficiaries money in federal taxes on many levels. First, designating LightHouse for the Blind as the beneficiary will remove the value of the retirement assets from your gross taxable estate. Additionally, because contributions to your retirement plan were likely not subject to income taxes at the time of contribution, nor were taxes payable as they appreciated in value over the years, distributions that a beneficiary receives from a retirement plan will be subject to federal income taxes upon receipt. However, since LightHouse for the Blind is a nonprofit and is exempt from taxes, it is not required to remit any portion of the distributions to the Internal Revenue Service.

## RETAINED LIFE ESTATE

You may give a property to the LightHouse while retaining the right to live in a residence for the rest of your life. Such a gift of a Retained Life Estate provides a charitable income-tax deduction for the present value of the remainder interest that frees up tax dollars into spendable income—without causing any disruption in your lifestyle. In addition, this plan permits you to escape any potential capital gains tax on the built-in appreciation. While you retain the right to live on your property, you continue to be responsible for all routine expenses: maintenance fees, insurance, property taxes, repairs, etc. If you later decide to vacate your property, you may rent the property and receive the income. Retained life estate is a plan that allows you to donate a future interest in your home to the LightHouse while continuing to reside there.

## CHARITABLE LEAD TRUST

If you have a large estate and are looking for ways to pass more on to your heirs, a Charitable Lead Trust may be an excellent plan for you. A Charitable Lead Trust is a gift plan that allows you to transfer assets to future generations at a significantly reduced gift or estate tax cost, while providing a stream of income to LightHouse for the Blind for a term of years. The technical name for this type of Charitable Lead Trust is a “Non-Grantor Charitable Lead Annuity Trust” as it leads with a stream of fixed annual payments to the LightHouse before the assets revert to non-charitable beneficiaries other than the grantor.

## LEAVE A LEGACY TO ENCHANTED HILLS

Did you know that you can specify a planned gift, such as a bequest, to a particular LightHouse program, such as Enchanted Hills Camp?

A planned gift for Enchanted Hills Camp helps us provide unparalleled learning, adventure and exploration for blind, low vision and deaf-blind people of all ages. Enchanted Hills changes lives. At camp people meet mentors, they make friends, sometimes they find love. Make a planned gift to Enchanted Hills Camp to sustain EHC for years to come. And you can be instrumental in ensuring that the magic of Enchanted Hills Camp continues to happen!



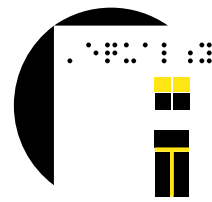


*“Designating a charitable organization as a beneficiary of a retirement plan gives you a lot of bang for the buck.”*

## CONTACT US

A legacy gift to LightHouse for the Blind has benefits ranging from tax advantages to income for life. Whether you want to help blind and low vision people gain the skills and confidence they need to enter the workforce through our Employment Immersion Program, or help sustain Enchanted Hills Camp for generations of campers to come, we're here to help you make a meaningful impact on the lives of blind and visually impaired individuals.

Contact Us: We'd like to learn more about your interests and financial goals. Together we can map out strategies that will help you support our life-changing programs for the blind and visually impaired while maximizing your tax and financial benefits. To discuss planned giving or to inform us of your intentions, please contact our Director of Development at (415) 694-7333 or [giving@lighthouse-sf.org](mailto:giving@lighthouse-sf.org).



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214 Van Ness Avenue, San Francisco, CA 94102 | P: 415.694.7333

[www.lighthouse-sf.org](http://www.lighthouse-sf.org) | Email: [giving@lighthouse-sf.org](mailto:giving@lighthouse-sf.org) | VP: 415.255.5906