

A photograph of a man and a child fishing on a beach. The man is wearing a bucket hat and a light-colored jacket, and the child is wearing a denim jacket. They are standing on the sand, and the ocean is in the background. The image has a teal overlay.

GIVING WITH COMMON SENSE

A GUIDE TO
PLANNED GIVING
OPPORTUNITIES



Parkinson's
Disease
Foundation

contents

- | | | |
|-----|--|---------------|
| 1. | <i>Giving Cash</i> | 1 |
| 2. | <i>Giving Appreciated Securities</i> | 3 |
| 3. | <i>Bequests: Gifts by Will:</i> | 5 |
| | a. Types of Bequests | |
| | b. Ways of Dedicating Your Bequest | |
| | c. Sample Language for Your Attorney to Consider | |
| 4. | <i>Gifts from a Retirement Fund</i> | 11 |
| 5. | <i>A Snap-Shot Guide to Various Ways of Making a Planned Gift to PDF</i> | Center Spread |
| 6. | <i>Life Income Gifts:</i> | 13 |
| | Ways of Making a Sizeable Gift for Parkinson's Research Without Giving Up Current Income | |
| | a) The Charitable Remainder Annuity Trust | |
| | b) The Charitable Remainder Unitrust | |
| | c) The Charitable Gift Annuity | |
| | d) The Deferred Payment Gift Annuity | |
| 7. | <i>Contribute Your Home to Charity While Living There for Life</i> | 21 |
| 8. | <i>Making a Gift Through Insurance Policies</i> | 23 |
| 9. | <i>The Charitable Lead Trust:</i> | 25 |
| | Making a "Once-In-A-Lifetime Gift" to PDF While Protecting Your Assets for Your Children | |
| 10. | <i>Steps to Planning Your Giving</i> | 29 |

excellence

In Scientific Research and Patient Education for Parkinson's Disease

Since 1957, the Parkinson's Disease Foundation (PDF) has been a leading national presence in the field of Parkinson's disease research, patient education, and public advocacy.

Our task is to support the nearly one million people in the U.S. who live with Parkinson's disease. We do this in several ways:

- We fund the most promising scientific research to unlock the secrets of Parkinson's and to find its cure. Our research programs are engineered to accelerate developments in Parkinson's research in several ways; through major grants to leading centers of basic research, such as the Center for Movement Disorders at Columbia University in New York City where multi-disciplinary teams work to solve Parkinson's; by providing seed grants of up to \$40,000 to individual investigators to enable them to collect the baseline data necessary to support major proposals to government; by helping to unblock pathways to improved therapies for Parkinson's through public awareness; and by encouraging the best scientific minds to pursue careers in Parkinson's through postdoctoral and summer fellowship programs.

- We provide education and support for people with Parkinson's, their families, and caregivers through informational materials, one-on-one support services, and educational conferences.

■ We advocate for increased government financing of Parkinson's research. Each year, we provide a major grant to the Parkinson's Action Network, the Washington-based advocacy group and participate on their Board of Directors.

Today, there is no cure for Parkinson's disease. But hope is on the horizon. Almost every month yields a new scientific finding that moves us a precious step closer to better therapies and an eventual cure.

This publication is designed to suggest ways in which, by careful planning, you can support Parkinson's research and help those who live with Parkinson's...while protecting your assets, your income, and the needs of your family.





A message *from* the Executive Director

The Parkinson's community is a complex mosaic of individuals, groups, and organizations. The organizations are large and small, national and local, scientific and educational. All of them are worthy and all make a valuable contribution to the Parkinson's community. Accordingly, it seems fair to ask, how is the Parkinson's Disease Foundation (PDF) distinctive or different?

I believe that our distinctiveness lies in a philosophy that underpins our work and guides and steers our direction. This philosophy might be described under three important and mutually dependent words: *integrity*, *effectiveness*, and *collaboration*.

We believe in *integrity*, being honest to our donors and honest with ourselves about the programs and activities we undertake. We adhere to strict standards and policies within our own operations and we ask the same of those operations to which we extend financial support. We also make available to anyone who wishes them copies of our annual report and of the tax form 990 which we submit to the federal government.

We strive for *effectiveness*—monitoring and reviewing the quality of our programs, and the efficiency of our fundraising and administration activities to ensure that every dollar entrusted to us is used in the best possible way. One example is a recent study of our investments in Parkinson’s research, which showed that seed grants of \$2 million to individual research scientists over three years leveraged a staggering \$19.5 million of additional funding from federal and other aid.

Our final approach is to adopt a *collaborative* and open agenda. We are proud to take the lead on several collaborative ventures among the various Parkinson’s groups. One of these is a community-wide initiative to generate awareness of Parkinson’s clinical trials, another is the first-ever *World Parkinson Congress*. By working together with our colleague organizations, industry and government we can work better.

If you share our philosophy, consider how you can help us to continue this tradition by supporting us through a planned gift. Your support will move us steps closer to a cure for Parkinson’s disease.

A handwritten signature in blue ink that reads "Robin A. Elliott". The signature is fluid and cursive, with a large initial 'R' and 'E'.

Robin Anthony Elliott
Executive Director



GIVING CASH

In times of volatility in the stock market, you may decide that the most logical type of gift for you to make is plain, old-fashioned cash.

Cash is the simplest gift with the most immediate impact, both for the donor and for PDF. It may be through payments on a credit card, contributions from a money-market account, or simply a personal check.

We at PDF will be grateful, and will immediately start putting your money to work on solving the Parkinson's puzzle.

You may find that it suits your needs to take advantage of a new monthly giving system which enables a donor to make a monthly donation to PDF. The system automatically deducts the stipulated amount from your bank account each month, or charges the monthly amount to your debit or credit card, visit www.pdf.org/monthly for more information.



GIVING APPRECIATED SECURITIES

You may own some stocks or possibly bonds which are worth more than what you paid for them—perhaps many years ago. There are likely to be significant tax advantages for you in giving such securities to PDF rather than selling them and giving us the proceeds.

Here's the rationale: If you make a gift of stocks or bonds to PDF or to any other recognized charity, the federal government authorizes you to deduct the value of the securities from your taxable income. If, on the other hand, you sell the same securities, and if they have increased in value since you purchased them, you are very likely to owe a capital gains tax on the gain. If, on the other hand, you decide to sell the securities and promptly give the proceeds of the sale to charity, you will be able to deduct the full value—very likely the same amount you would have deducted if you had given the assets rather than selling them—but you are still likely to be stuck with that capital gains tax!



BEQUESTS: GIFTS BY WILL

One of the easiest and most thoughtful ways of providing continued support for the Parkinson's Disease Foundation is through a gift by will, known as a bequest or legacy. Through a well-planned will, it is possible to make gifts for charitable purposes in one or more of several different ways; a designated sum; a specific piece of property; or a percentage of your estate. By joining others in making bequests both large and small, you can help PDF until the day Parkinson's is conquered.

SHOULD WE ALL HAVE A WILL?

Everyone needs a will. If you don't already have one, we recommend that you call your lawyer and discuss with him or her the provisions that will best suit your needs, those of your family, and your charitable interests.

Drawing up a will may seem like an unnecessary waste of time and money. It certainly takes thought, time and money, but these efforts are well-spent, even if:

- a) You consider yourself young and far removed from thoughts of death.
- b) Your estate is likely to be modest.
- c) You have no intention to leave a gift to a favorite charity.

ADVANTAGES TO HAVING A WILL

- Your property will be divided up the way you want it to be.
- You'll be able to provide for the special needs of a relative you love, or of one who is ill or handicapped and needs extra protection.
- You'll keep the taxes on your estate, and administrative costs, to a minimum.
- You'll be able to name an individual you trust to administer your estate, rather than have this decided by a government agency.
- You'll be able to allocate bequests to your favorite charities.

COSTS OF NEGLECTING TO MAKE A WILL

Consider the alternative – that is, what would happen if you were to die without a valid will (which is called “dying intestate”):

- Your assets will be distributed, not in the way you would choose, but in accordance with the laws of the state you live in. This could mean that a husband or wife may find that he or she has been left less money than a minor child. Or the needs of a disabled child may be ignored.
- A relative in whom you have little interest, or who is incompetent to manage funds properly, may end up with a share of your estate.
- None of your property will be sheltered from federal, state, and in some cases, local taxes.

DIFFERENT TYPES OF BEQUESTS

There are several ways in which you can include PDF in your will. All are designed to accommodate your personal wishes for your loved ones as well as your charitable goals.

1. You may wish to leave PDF an outright bequest of a specific dollar amount or a percentage of your estate.
2. PDF could be named to receive a residuary

bequest. This simply means that PDF would receive the remainder of your estate (or what is left over) after other specific bequests have been accounted for.

3. You can also name PDF to receive a contingent bequest. This means that if one or more of your named beneficiaries (say, an older relative) is no longer alive when the will is activated, the amount reserved for them will go to PDF.
4. Perhaps you want to make a charitable bequest but have a spouse or another family member or friend for whom you want to provide support during his or her lifetime. In this case you could arrange for a charitable gift that will take effect only after the person or persons provided for have died.

WAYS OF DEDICATING YOUR BEQUEST

From PDF's point of view, the best kind of bequest is one that is for general purposes, or "unrestricted". This allows the directors to allocate the funds to where they are most needed at the time the bequest is received. Some donors, however, choose to designate a specific purpose for their bequest, such as research, or fellowships, or public education. We welcome these, too.

Specified purposes should be described as broadly as possible and detailed limitations and restrictions should be kept to a minimum. If circumstances permit, PDF officials should be consulted before you draft a detailed plan for a specific purpose.

named bequests

In the case of larger gifts and bequests, opportunities exist for donors to attach their names or those of others they designate, to a specific project or program. For details, please contact us directly.

HOW TO INCLUDE PDF IF YOU ALREADY HAVE A WILL

Providing for a new beneficiary such as PDF does not require you to rewrite an existing will from scratch. Many states, including Connecticut, New Jersey, and New York, allow residents to add a specific clause to their wills, known as a codicil. Your attorney can provide you with the details that apply in your home state.

SAMPLE LANGUAGE FOR YOUR ATTORNEY TO CONSIDER

sample bequest legal language

“I give, devise, and bequeath to the Parkinson’s Disease Foundation, a not-for-profit institution located in New York City {the sum of \$.....} or {% of the rest, residue or remainder of my estate}.

sample codicil language, to be used if you already have a will:

I hereby declare this to be a codicil to my will. I give, devise, and bequeath to the Parkinson’s Disease Foundation, incorporated in the State of New York, the sum of \$.....
Date.....
Your signature.....

sample language for a codicil establishing a restricted bequest

I hereby declare this to be a codicil to my will. I give, devise, and bequeath to the Parkinson’s Disease Foundation, incorporated in the State of New York, the sum of \$....., to be assigned to the James Parkinson Fund and used for research into the causes of and a cure for Parkinson’s disease.
Date.....
Your signature.....

Be sure to consult with your attorney to work out the appropriate language, and to make sure that your will, or the codicil to your will, is duly witnessed and notarized.

“Since Larry was diagnosed with Parkinson’s, we’ve received information regularly from PDF which has helped us to understand and manage the disease. We wanted to ensure that future families who live with Parkinson’s are given the same support. That’s why we’ve made a commitment to PDF in our will”.

Mr. and Mrs. L. Bryson,
Kansas



AN ALTERNATE TO A BEQUEST: GIFTS FROM A RETIREMENT FUND

You may find that making a gift to PDF from your retirement fund is more tax-efficient than leaving a bequest in your will. The assets of a retirement plan are often subject both to estate taxes and to income taxes. The combination of these taxes, on a retirement plan in a large estate, may easily be in excess of 50 percent.

If instead you were to name the Parkinson's Disease Foundation as a full or partial beneficiary of your IRA, Keogh, tax-deferred annuity, or qualified pension or profit-sharing plan, the amount designated will pass from you to the Foundation at your death free of income or estate tax.

To name PDF as a beneficiary of your retirement plan, simply notify the plan administrator. A simple "change of beneficiary" form may be all that is required. If you are married and your spouse is already a beneficiary of the plan, you may need to arrange for him or her to sign a waiver of federal spousal rights.

There is also a way in which you can leave your IRA or qualified retirement plan to your spouse until his or her own death, upon which it could be transferred to PDF and other charities. Once again, consult with your attorney.

EXAMPLE:

Bill Colby worked his way up through the ranks at a Kansas City utility for 30 years. A widower, he built up a substantial 401 (k) retirement fund as well as a balanced portfolio of stocks and bonds. Before the complications of his Parkinson's disease finally overcame him, he decided on the most efficient way to divide his estate between his nephew, Max, who had taken care of him, and the Parkinson's Disease Foundation. He left the stocks and bonds to Max, and on them the estate paid only one relatively modest tax, the estate tax. He left the entire 401 (k) to PDF, avoiding the necessity of paying both income tax and estate tax on the assets, and lowering the tax on his total estate.



GUIDE
THE
VARIOUS
OF
A
GIFT

“The
PDF *deserves*
support because it
funds the **highest**
quality scientific
research.”

I believe that
funding
scientific research
will lead us to the
breakthrough that
will discover a **cure**
for this **debilitating**
disease.”

Mrs. Anita Hackett
New Jersey

A
— SNAP
— SHOT
TO
WAYS
MAKING
PLANNED



Hope through Research • Education • Advocacy

• www.pdf.org •

A Snap-Shot Guide to Various Ways of Making a Planned Gift to PDF

Life Income Gifts

TYPE OF GIFT	CASH	APPRECIATED SECURITIES	BEQUESTS	RETIREMENT FUND	INSURANCE POLICIES	CHARITABLE REMAINDER ANNUITY TRUST	CHARITABLE REMAINDER UNITRUST	CHARITABLE GIFT ANNUITY	DEFERRED PAYMENT GIFT ANNUITY	RETAINED LIFE ESTATE	CHARITABLE LEAD TRUST
Page	1	3	5	11	23	15	16	17	19	21	25
Summary Description	Straight donation.	Giving assets (usually stocks) that have gained in value.	Gifts by means of a will.	Gifts from the assets of an IRA or 401(k) account.	A donation from the gift of a life insurance policy.	Substantial gift, out of which a fixed-dollar annuity is paid to the donor.	Substantial gift, out of which a payment, which varies with the current value of the gift, is paid to the donor.	Gift out of which an annuity is paid to the donor depending on the age of the donor at the time of the gift.	Gift out of which an annuity is paid to the donor, starting only at a future date such as the donor's retirement.	Gift of a home, with the donor reserving the right to live in the home until death.	Putting income-producing assets temporarily in trust.
Special Benefits to Donor	Deduction from taxable income.	Deduction from taxable income <i>and</i> avoidance of capital gains tax.	Donor controls property during lifetime. Estate tax savings may apply.	Gift postponed until death of donor. Not subject to income tax or estate tax.	If the gift is assigned to PDF, an income tax charitable deduction can be claimed in the year of the gift. If PDF were made a beneficiary, a tax deduction for the estate would apply.	Immediate deduction from taxable income, by-passing of capital gains tax, and fixed income for life of donor.	Immediate deduction from taxable income, and by-passing of capital gains tax, and income for life of donor.	Immediate deduction from taxable income, and guaranteed income (partially from tax for a period of time) for the life of the donor.	Immediate deduction from taxable income, and guaranteed income starting at a future date.	Immediate deduction from taxable income.	At end of trust's term, assets are returned to your children or grandchildren, greatly reducing gift or estate taxes.
Benefit to PDF	Immediate support of PDF's programs.	Immediate support of PDF's programs.	As the will is executed, PDF can realize full value of gift.	At the time of settlement, PDF can realize full value of gift.	At the time of settlement, PDF can realize full value of gift.	In due time, residual value of gift.	In due time, residual value of gift.	In due time, residual value of gift.	In due time, residual value of gift.	In due time, sales value of home.	Secures income from the trust until the end of the term of years.

LIFE INCOME GIFTS

Ways of Making a Sizable Gift to Parkinson's Research, Without Giving Up Current Income

If you are a charitable person of comfortable means who needs your assets to support your lifestyle and therefore believe your only opportunity for making a major gift is through a will, think again. Federal tax law allows you to make an important gift to the Parkinson's Disease Foundation now without sacrificing income. By doing this, you can enjoy the appreciation and gratitude of the Parkinson's community while getting the benefit of an immediate tax deduction. The way this can be done is through a life income agreement.

THERE ARE FOUR LIFE INCOME PLANS:

- a) *The Charitable Remainder Annuity Trust*
- b) *The Charitable Remainder Unitrust*
- c) *The Charitable Gift Annuity*
- d) *The Deferred Payment Gift Annuity*

All life income plans require you to transfer assets now, while providing you—along with another person—such as your spouse—with income for life. Eventually, the principal will go to PDF. In the meantime you receive several tax and financial benefits.

Among the specific advantages of these plans:

- You can be assured of lifetime income for yourself—even if the securities or other assets you give do not themselves produce income to you now.
 - You can provide lifetime income for your spouse or another person.
 - You will receive a charitable tax deduction in the year or years in which the gift is made.
 - You can avoid all or most of the capital gains tax that would otherwise be due on appreciated assets.
 - You will have the same estate tax benefits as you would receive from making a charitable bequest.
 - You will probably save probate costs.
-

On the following pages, we briefly explain four life income plans. Each is accompanied by an example of how such a gift can meet a donor's personal and philanthropic financial planning goals. Each example uses calculations based on the interest rates that are recommended currently by the American Council on Gift Annuities, whose guidelines we follow. These change over time and you should be aware that your actual situation will depend upon the rates prevailing at the time you make the gift. As always, PDF advises you to discuss these options with your financial advisor.

The Charitable REMAINDER Annuity Trust

You Can Make a Charitable Gift Now and Receive a Consistent Income for Life

This type of trust—which usually requires an initial investment of \$100,000 or more—is set up to pay you a fixed dollar amount for life, based upon a percentage of the trust's initial value. The income goes either to you alone, or to you and another person—for example, your spouse—for life. By establishing this trust, you avoid all capital gains tax on your gift and receive a charitable tax deduction in the year the gift is made.

EXAMPLE:

Richard Hoffman is a 72-year old with moderately advanced Parkinson's. He is retired and living off a combination of pension and investment income. He wants to make a large donation to support research into the social and economic side-effects of Parkinson's, but he needs to be assured of a certain amount of income each year. He is able to accomplish this by establishing a charitable annuity trust with a gift of \$100,000 of highly appreciated stock. He has elected to receive 6% of the value of the trust a year, or \$6,000. He pays income tax on this income. However, he avoids capital gains tax on the appreciation, and is able to take a charitable deduction of \$56,843. (If he had chosen a higher annual rate of return, his charitable deduction would have been lower.) Because this trust pays him a fixed amount for life, he can count on receiving the same amount on an annual basis. When the trust matures, the remainder will go to PDF to support research in his name.

The Charitable **REMAINDER Unitrust**

A Gift that Provides You with a Variable Life Income with an Opportunity for Growth

As with the annuity trust, the unitrust pays an income for life. In this case, however, the amount is not fixed, but is based on a designated percentage of the current value of the trust, which is re-evaluated each year. This re-evaluation means that your income will vary from year-to-year depending upon the trust's performance. Unlike the annuity trust, this plan affords you the opportunity for income growth and, therefore, serves as a hedge against inflation. (Of course, it also carries the risk, in a bad market, of income decline.)

With a unitrust, you also have two options not available in the case of the other charitable remainder trusts. (1) You can add to the trust over the years, which will allow you additional charitable deductions. (2) You can also use assets, other cash, and securities to fund the unitrust—for example, real estate and other appreciated property. The following example illustrates how such an option would work.

EXAMPLE :

Paul and Mary Rothmore, age 65 and 62 respectively, are in the real estate business. Mary, six years ago, was diagnosed with Parkinson's. Some 30 years ago they bought seven acres of land in rural Vermont for \$15,000 with the thought of building a house for retirement. Since they have a home in Florida where they spend their winters; since they have no direct heirs; and since they estimate that because of Mary's condition they would have difficulty keeping up that much land, they have decided to sell the land, which is now worth \$250,000. They want to structure this in a way

that will save them costly capital gains taxes, and furnish them with additional income. But they have also been looking for a way to fulfill a growing personal desire to provide major support to PDF's program of research into improved medical and surgical treatment of Parkinson's—a commitment they thought could be accomplished only through a bequest.

Thanks to advice from their financial counselor, they are accomplishing all three of their goals through a charitable remainder unitrust.

Although the land they are giving to fund the unitrust has never earned them a penny, the unitrust will pay them a variable income for life with the chance for growth. They have chosen a yearly payout of 5%, which amounts to \$12,500 per year. They receive a charitable tax deduction of \$87,783.

The Charitable GIFT Annuity

A Gift to PDF Guaranteeing You an Income for Life

The Charitable Gift Annuity is one of the most popular life income arrangements today. Unlike some others, it does not require a huge investment (PDF's annuities start at \$10,000) and you avoid the administrative costs that are involved in managing a trust. You can choose to arrange an annuity that runs through the duration of two lives – say, yourself and your spouse. And you receive a charitable tax deduction for the year in which the annuity is established.

In fact, you may also add new contracts over the years, as long as each is for at least \$10,000. Each one guarantees you a fixed income for life, at a rate based upon your age and upon the interest rates prevailing at the time you make the contribution.

EXAMPLE:

Bertha DeLongo, 66 years old, is a middle-management executive in a travel agency. Her husband Al died last year after putting up a long fight against Parkinson's. She would like to establish a research fund in his name but, as she is about to retire, she needs, in addition to her pension, the income her investments provide. To protect the principal of her investments, she has taken her funds out of the stock market, and transferred them into the money market where they are earning barely 2%. While this is considerably less than the investments earned over the years in the stock market, she is reassured knowing that her principal is secure. Staff at PDF have shown her how she can continue to protect her investments, earn even more income, and establish a research fund, all at the same time. By entering into a charitable gift annuity contract with PDF for \$10,000, she is assured that her income will be guaranteed for life. Because she is 66 years old, she is eligible to receive 6.1%. This is considerably higher than the approximately 2% she might have earned from the money market. She is guaranteed to receive \$610 a year, compared with her current income of about \$200. She is extremely pleased about the advantages the charitable gift annuity program offers her. She plans to take out another gift annuity next year when she is 67, and—assuming current interest rates remain constant—will receive 6.2%. Since the charitable gift annuity is considered part income and part investment, her charitable tax deduction is calculated to be about \$3,100. Each new charitable gift annuity will go, following her death, to support the research fund in her husband's name.

The Deferred PAYMENT GIFT *Annuity*

Supporting Parkinson's Research While Saving for Your Retirement

Perhaps you would like to support PDF and its research efforts today but also need to save for your retirement. There is a way for you to accomplish both of these objectives, while receiving a charitable tax deduction at a time when your income (and, therefore, your taxes) are higher than they are likely to be after you retire.

The Deferred Payment Gift Annuity is an excellent way for you to make an irrevocable gift to PDF now, while holding off receiving income until your retirement. You decide the age at which you wish to begin to receive income. At that point, your income from this source—based upon your age at the time you make the gift and the age at which you start to receive income—will be fixed for life.

EXAMPLE :

Jeff Rodinsky is a 50 year old person with Parkinson's who is interested in the battle to find the causes of the condition. He wants to support PDF and its research efforts, but he has retirement goals to consider. He was happy to learn about the deferred payment gift annuity program at PDF, which will allow him to address both the need for future income and his desire to support Parkinson's research. He has accomplished this by transferring \$20,000 to a deferred payment gift annuity, electing to receive income upon reaching 70. According to the deferred payment gift annuity rates, his income will be \$3,420 per year, or 17.1% of the gift. His charitable deduction, which he can take in the year during which he makes the gift, will be \$8,564.



RETAINED LIFE ESTATE

*Contribute Your Home to Charity
While Living There for Life*

This is a unique way to make a substantial gift to PDF today without altering your income or lifestyle, and without giving up the use of income-producing assets. Under the plan, you make an irrevocable gift of your home to PDF while retaining the right to live there—so long as you maintain the property—for life. You are also entitled to any income the property may produce. You receive a charitable tax deduction based upon your age and the fair market value of your property in the year the gift is made.

EXAMPLE:

Marjorie Davison is 68 and has Parkinson's. She and her husband, David, 70, are successful graphic artists who own a vacation home on the northern peninsula of Michigan, where they spend their summers. Their two children now live on the West Coast and have no interest in using the property. Because it is not their primary residence, the Davison's do not qualify for any tax breaks when they sell it. They bought their home thirty-five years ago for \$45,000. Today it is worth \$200,000, and they would be liable for capital gains tax on \$155,000.

Mr. and Mrs. Davison decided to make a gift of the property to PDF, while retaining the right to live there for life. They receive a charitable tax deduction of \$76,000. Someday, PDF will sell the house and use the proceeds to help finance its program.



MAKING A GIFT THROUGH INSURANCE POLICIES

Another easy way to help PD research is to donate to PDF a life insurance policy. Of course, you'll want to make sure first that you have taken care of the needs of your family. Assuming this has been done, consider calling your insurance agent to find out how you can amend your policy so as to assign the proceeds to the Foundation.



THE CHARITABLE LEAD TRUST

*A way to Make a “Once-in-a-Life-Time Gift”
to PDF While Protecting Your Assets
for Your Children*

The Charitable Lead Trust is an excellent vehicle for philanthropic individuals who do not need current income from high-yielding assets—such as a prospering business—but wish to retain them for their family at some future time. The concept of the lead trust arrangement is for you to put the high-yielding asset in a trust for a fixed number of years. During that time, income from the trust will support the Parkinson’s Disease Foundation. At the end of the trust’s term, whatever remains in the trust will be distributed to your beneficiaries, and the gift or estate taxes will probably be reduced or eliminated.

To accomplish this, these assets are usually placed in trust for fifteen years or longer. The charitable lead trust can be structured either in the form of an annuity trust, paying PDF a fixed dollar amount, or as a unitrust where the income will vary because it is a fixed percentage of the worth of the trust, which is re-valued each year.

EXAMPLE:

Harry Feldman is a 50 year old, who would like to combine his interest in supporting PDF now with this desire to provide an inheritance for his three children. He does not want the children to have the inheritance until they are adults, and they are now 5, 7, and 9.

Harry transfers \$1 million of stocks and bonds to a charitable lead trust that is to make payments of \$50,000 per year to PDF for the next 15 years. Then the trust is to end and the money that remains is to be distributed equally to the children.

RESULTS:

- PDF receives a total of \$750,000 to help with its efforts to make life better for those with Parkinson's disease.
- Assuming the assets in the trust can achieve at least a 5% return during the trust term, the children will be dividing \$1 million in 15 years.
- Harry will have used only about \$200,000 of his \$1 million gift tax credit to make this \$1 million transfer to his children.

“I gave my *first* gift to the Parkinson’s Disease Foundation in 1999, the year in which I was diagnosed with PD. I gave it in the form of a charitable gift annuity. Giving in this way made it possible for *me* to make a larger gift than I thought was possible. At the same time, it secured a steady stream of income for my *own* future.

Mrs. M., Florida



STEPS TO PLANNING YOUR GIVING

Before you finalize your will and/or other estate plans, be well prepared. Below are some steps you may wish to follow:

1. Make a list of the people and the causes you want to include—family, special friends, employees, and charitable interests.
2. List the property you have available to distribute (e.g., securities, real estate, life insurance, retirement plans, and personal possessions).
3. Identify ways of matching the people or organizations with the property.
4. Finally, list any professional planners you may need to consult—for instance, your attorney, banker, accountant, tax advisor, financial planner, investment advisor, or representatives of a charitable interest.

If you need further advice on anything you have read in this publication, feel free to call us at (800) 457-6676; write to us at PDF, 710 West 168th Street, New York, NY 10032, or email us at info@pdf.org. Our planned giving expert is available to assist you with your will and other planned gifts.

“PDF was very helpful in explaining *how* the program works.

In *fact*, the *terms* of the charitable *gift* annuity all *made* such good sense that

I *thought*, ‘I *can’t* afford not *to* give.’

Mr. S., Colorado



The Parkinson's Disease Foundation

The Parkinson's Disease Foundation (PDF) is a leading national presence in Parkinson's disease research, patient education, and advocacy for increased federal funding. PDF works to support the nearly one million people in the U.S. living with Parkinson's by funding promising scientific research and supporting people with Parkinson's, their families and caregivers through educational programs and one-on-one support services.

Since our founding in 1957, PDF has awarded over \$50 million to fund scientific research into the causes of Parkinson's.

Our services to the Parkinson's community include:

- Provision of printed and audiovisual educational materials to support patients, families and caregivers who live with Parkinson's.
- A support service run by trained health professionals and medical staff to answer questions from patients, caregivers, families and the community on any aspect of Parkinson's disease through our telephone advice line, (800) 457-6676 and web-service, "Ask the Expert".

PDF is a tax-exempt, charitable organization with offices in New York and Chicago.

For further information about our services or to support our work, please see our website at www.pdf.org or write to us at the address below.



**Parkinson's
Disease
Foundation**

Hope through Research • Education • Advocacy

710 West 168th Street
New York, NY 10032-9982
(P) 212-923-4700, 800-457-6676
(F) 212-923-4778
info@pdf.org www.pdf.org