



Living Legacy

Planned Giving for the Future of the Loft Community

What is Legacy Giving?

Legacy giving, or planned giving, describes a wide variety of strategies that help you support a nonprofit organization you believe in, while also advancing your own financial and personal goals. For example, a planned gift to the Loft, Inc. may result in savings on income, estate, and capital gains taxes. Legacy giving options can also benefit your children or grandchildren. And legacy gifts are flexible: a planned gift can be a gift of cash, stocks, bonds, mutual funds, IRAs, real estate, or even the royalties from your book.

While we cannot provide legal advice or technical assistance with the preparation of your estate plans, we are happy to provide some basic information on the many ways to include the Loft Literary Center in your estate plans. It is important to note that you need not have great wealth to do this. Rather, designating the Loft to receive assets from your estate plans may be a wonderful opportunity to impact your favorite cause (the future of reading and creative writing) in a way that you cannot afford at the moment.

Bequest

A bequest is the simplest way to provide a gift. By including a provision in your will or living trust, you can make a gift to the Loft in the form of a specific sum, particular asset, or percentage of your estate. Legacy giving specialists suggest that if you are considering making an outright gift to a charity, it is better to specify that a percentage of your estate go to the organization rather than a specific sum. This allows your charitable giving goals to adjust with your changing life circumstances.

The following sample bequest language is used to illustrate some of the options available to you. Please consult with your attorney and/or your financial planner to select the bequest option that addresses your interests.

1. **A specific amount.** *"I give to the Loft, Inc., located in Minneapolis, Minnesota, the sum of \$(total dollar amount) to be used by the Loft, Inc., wherever the need is greatest."*
2. **Specific property.** *"I give to the Loft, Inc., located in Minneapolis, Minnesota, all of my right, title and interest in the following described real estate (insert legal description of land) to be used by the Loft, Inc. wherever the need is greatest."*
3. **Portion of estate.** *"I give to the Loft, Inc., located in Minneapolis, Minnesota, (percentage amount)% of my (net or gross) estate to be used by the Loft, Inc. wherever the need is greatest."*
4. **Residual estate (after other bequests are named).** *"I give to the Loft, Inc., located in Minneapolis, Minnesota, the rest and residue of my estate to be used by the Loft, Inc. wherever the need is greatest."*

Life Insurance

Naming the Loft, Inc. as the beneficiary of a new or existing life insurance policy may be an attractive option with a policy you do not need (e.g., over time you have accumulated several policies and rather than discontinue one, you continue payments with the Loft, Inc. as beneficiary). When you name the Loft, Inc. as the beneficiary of your life insurance policy, the proceeds are not subject to estate tax.

IRA or Qualified Pension Plan

You may name the Loft, Inc. as the beneficiary of your IRA or qualified retirement plan. IRAs left to family members can be subject to both estate tax and income tax, while IRAs left to the Loft, Inc., are not subject to either tax.

Appreciated Securities

Capital gains tax liability may be avoided or deferred depending upon the structure of your gift of appreciated securities. Be sure to consult with your financial planner or attorney to decide upon a structure that best meets your needs.

Gift of Residence with Retained Life Estate

You may make a gift of your personal residence or vacation home to the Loft, Inc. to take effect at your death. You'll be entitled to a charitable deduction in the year the property is deeded to the Loft, Inc. In addition, the property is removed from your estate for estate tax purposes.

During your lifetime you may continue to use the property, but you *may not* sell or mortgage your interest. Upon your death, the property passes to the Loft, Inc. Please note that the Loft's ability to accept real estate gifts depends upon a number of factors, including current market conditions.

Deferred Gifts

A deferred gift allows you or someone you select to receive a lifetime of income from your irrevocable gift to the Loft, Inc. Advantages include a tax deduction today for a gift you make in the future, and removal of assets from your estate. You should discuss deferred gifts with a qualified financial professional to decide if this is the right option for you.

Next Steps

It is important to consult with your attorney and/or financial planner to decide upon the type of gift that is best suited to your unique situation. The Loft can provide you a statement of intent, which lets us know that you intend to include the Loft, Inc. in your estate plans. You may remain anonymous, or you may authorize the Loft to include your name in our publications. By allowing us to use your name, you will serve as a model to others who may be considering the Loft as a part of their estate plan.

If you have any questions, please contact the Loft's development team at (612) 215-2575.

Thank you for supporting the future of the Loft community.