

A deferred gift can take different forms, but generally it will:

- Pay an annual income to one or more beneficiaries for life (or for a period of years), and
- Pass the property to The Parish School when the income payments end.

A deferred gift in your will is an excellent tool for providing for dependent relatives while fulfilling your philanthropic wishes.

EXAMPLE: Ava is a 70-year-old widow who wants to make a gift to honor her late husband and continue his support of The Parish School. However, her older sister, Betty, needs financial help. By setting up a charitable remainder trust in her will, Ava can direct that when she dies, Betty will get an income for life, with the remainder interest left to us at Betty's death. Ava has ensured that her sister will have lifelong support, and she has honored her husband's memory, which brings her great joy. What's more, Ava's estate enjoys a charitable deduction for the present value of our remainder interest.

Financial and Tax Benefits

Charitable gifts are motivated by a desire to make a difference by providing support for a meaningful mission. However, the tax rewards for such generosity often let donors give more to charity than would otherwise have been possible.

- Every dollar you give to a qualified charitable organization through an outright gift in your will is fully deductible for federal estate tax purposes when all legal requirements are met.
- An estate tax deduction is also allowed for a deferred gift, even though the gift first provides income benefits to beneficiaries.

If your estate may be subject to the federal estate tax, minimizing the impact of this tax on beneficiaries becomes an important consideration. Since gifts in your will remove assets from your estate, they can help minimize the impact of the estate tax.

About the Revocable Living Trust

Like a will, a revocable living trust is a practical and efficient tool for distributing your estate. As the name implies, the revocable living trust is a trust you create during life that can be changed or revoked at any time.

At the outset, you transfer properties to the trust. You can reserve the right to change the trust, remove property from the trust, or cancel the entire arrangement at any time. You can even serve as trustee.

What will the revocable living trust accomplish that makes it worth your effort?

- It could avoid probate costs since assets transferred into the trust during your lifetime are usually not subject to probate.
- By avoiding probate, it can avoid delays that are typical in the settlement of an estate.
- It can be the cornerstone of a comprehensive estate plan. You can name the trust as beneficiary of your life insurance and retirement death benefits. You also can direct in your will that certain assets be distributed to the trust at your death.
- It is private. Your estate plan does not necessarily become public knowledge as it does with a will.

What are the disadvantages of the revocable living trust? It is more expensive to set up than a will, and it requires more work to transfer assets into the trust and manage those assets during your lifetime.



Planning a Personally Satisfying Gift

There are many techniques for making a generous gift in your will that can help you accomplish your planning and philanthropic goals. We sincerely hope that you will include The Parish School in your plans. If you do choose to make a gift in your will to support our work, please let us know. We would appreciate the opportunity to thank you and learn about the motivation behind your gift.

Please call us with any questions. It would be a pleasure to help you explore ways to meet your philanthropic goals and play an important role in helping The Parish School effectively serve children who have communication delays and learning differences.



THE PARISH SCHOOL

Contact us for information

Holly Wilbourn

Director of Advancement

o: 713.467.4696 x.1125

f: 713.467.8341

hwilbourn@parishschool.org

11001 Hammerly Blvd.

Houston, TX 77043

www.parishschool.org

Tax information provided herein is not intended as tax or legal advice and cannot be relied on to avoid statutory penalties. Always check with your tax and financial advisors before implementing any gift plan.

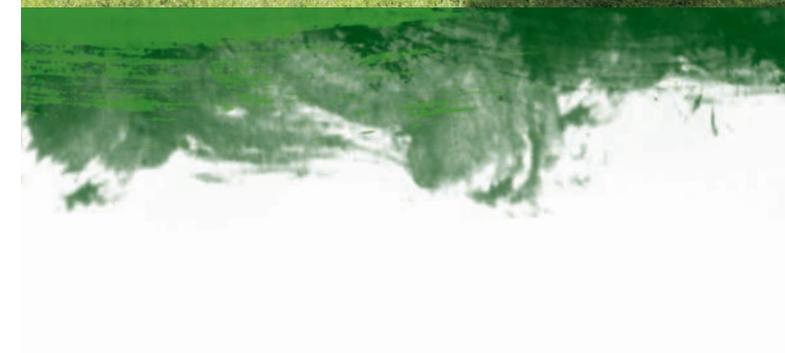
GW0721



THE PARISH SCHOOL

A Gift in Your Will

How to Meet Your Charitable Goals



A Gift in Your Will

How to Meet Your Charitable Goals

One popular way to provide long-term support for a meaningful charitable organization like The Parish School is to make a gift in your will. There are a number of reasons for choosing this gift option: the opportunity to make a statement about personal values, the satisfaction of supporting an important cause to benefit future generations, or the privilege of honoring a loved one or providing a gift that inspires others to give.

Tax planning can also be an important factor in this decision. With some foresight, you can make a gift in your will that fulfills specific planning goals as an integral part of an estate plan.

Planning a Gift in Your Will

If you are planning to make a gift in your will, consider these three questions:

- Will your gift serve as a source of personal satisfaction?
- Will it complement important personal goals as an integral part of your estate plan?
- Will it provide tax and financial rewards for family or other beneficiaries?



Updating Your Will is Easy

If you already have a will, you can include a gift to The Parish School without executing a new will. A codicil is a simple addition to your existing will commonly used to add gift designations. Keep in mind, however, that a codicil must meet all the state legal requirements for the execution of a valid will. Generally, you must sign it in the presence of witnesses who attest to the execution of the document.

Of course, you should rely on your attorney to draft your will or add any codicils. When you include a gift to The Parish School in your will, identify our institution by its formal legal name: Parish Children's School.

Flexible Planning

There are many ways to make a gift in your will. Your gift can be outright or deferred. It can be absolute or contingent upon certain events. It can honor a beloved family member or cherished friend. It can provide general support to the charity or be restricted to a certain purpose.

You retain full use of your property during life, so there is no immediate out-of-pocket cost, reduction in net worth, or disruption of cash flow. What's more, you can change your gift at a later time, which means you remain in complete control of the process.

An Outright or Deferred Gift

It is common to think of a gift in a will as an outright gift—a direction to distribute a specific asset or a certain sum of money to The Parish School. But it is also possible to make a deferred gift, with individual beneficiaries receiving immediate benefits and our institution receiving benefits at a later time.

Perpetuating Your Annual Gift

Many supporters of The Parish School make regular annual gifts, and there is a satisfying way to continue this support for many years to come through gifts in their wills. For example, Avery customarily makes an annual gift of \$2,000. He decides to designate a \$50,000 gift to us in his will to our endowed fund. This means The Parish School will use only the earnings from the gift each year. If the fund earns 4% in a given year, Avery's gift will contribute \$2,000 towards our ongoing work. The endowment will continue to generate income, benefitting our mission for years to come.

An Outright Gift

You can make an outright gift simply by indicating in your will the assets you would like to donate. You can specify a certain sum of money or a particular asset (for instance, 100 shares of stock). You can also give by designating a percentage of the value of your estate to go to The Parish School. This means we share in the increase or decrease of the estate value, which can change over the years.

Another option is a gift of the "residue" of your estate—the amount that remains after all costs, debts and taxes have been paid and all monetary and specific bequests have been satisfied. Your personal objectives should determine the exact form of your gift.

Consult your attorney for advice, and of course, we are pleased to provide any assistance you or your attorney may need in planning your gift.

A Deferred Gift

A deferred gift can add a great deal of flexibility to your estate plan. It allows you to provide for one or more family members or other beneficiaries first and then provide a gift to us later.

