



KIN ON *for* *Years to Come*

Guide for

Will Planning and Charitable Giving





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Plan now for a meaningful future

This ***Guide for Will Planning and Charitable Giving*** will help simplify what might otherwise seem like a daunting task. In this Guide, you'll find a basic overview of will preparation and ways you can pass your values as well as your possessions to your family and the causes you care about.

While you read through this Guide and begin preparing your will, we hope you might remember the important work of Kin On and consider making a gift, of any size, to help ensure our future and the future of Asian senior services in Seattle.

WHY EVERYONE NEEDS A WILL

Write your will, or the government decides

Of all financial documents, perhaps none is more personal or more important than your will. This single instrument conveys the wishes and priorities of a lifetime, and speaks volumes about what matters to you.

A will tells friends and family members precisely how you'd like your material assets distributed. It saves your loved ones from unnecessary distress by clearly articulating your opinions and decisions. It alleviates guesswork, speculation and doubt, helping make their lives easier.

Some people mistakenly believe that unless they've accumulated great wealth and a complex assortment of financial holdings, they don't need a will. That's far from the truth.

Without a legitimate will, the government — not you — will decide how your affairs are handled. There is no guarantee that its choices will be those you would have made.





Prepare your will now and you will be able to:

- Select an individual you trust to serve as executor and make sure your wishes are carried out
- Determine who will serve as guardian of your minor children or dependents and manage their finances
- Make tax-wise decisions for the distribution of your assets
- Ensure friends and causes that you hold close to your heart are included

Once this cornerstone document is in place, you can complete your plans with two other important documents: a **power of attorney** and a **living will** (also known as an **advanced directive**). With these documents you can:

- Designate who will have authority to make financial and legal decisions if you become unable to handle your own affairs
- Clarify your wishes — then empower an individual to carry out your medical arrangements

Pass along your possessions and values

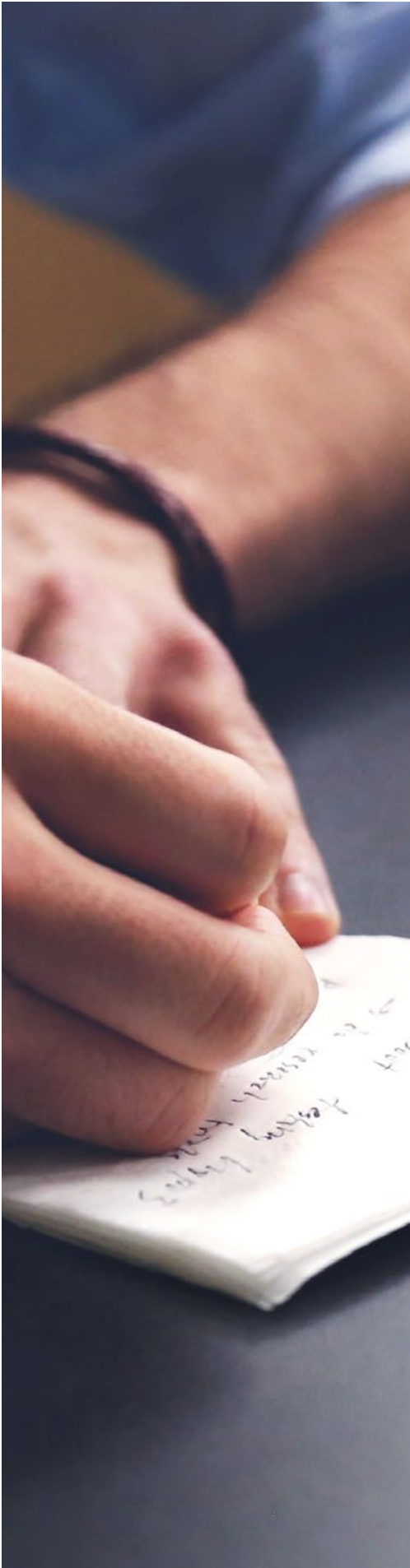
In truth, all people have possessions that will need to be disbursed. Think about it. Most people possess financial holdings such as checking accounts, saving accounts, retirement savings, real estate, life insurance, stocks and bonds.

Many individuals also have personal belongings like automobiles, artwork, silver flatware, fine china and electronics with real or sentimental value. Family heirlooms of jewelry, photographs and handmade crafts hold great personal value. Unless such items are specifically addressed in a will, disputes can be the source of family discord and arguments.

Keep your will as simple, or as detailed, as you wish

You can include instructions and wishes on virtually any subject — from directing the care of a beloved family pet, to passing along treasured belongings to those who will most appreciate them. By preparing your will now, you'll help your loved ones avoid any extra stress and confusion.

Having your affairs in order for grieving loved ones will give you peace of mind. You can feel confident that you have helped them by fulfilling one of your most important responsibilities: leaving a will, so they can make it through a difficult time. By planning ahead, you can also help organizations continue the good work that you have supported during your lifetime.



WHEN TO REVISE YOUR WILL

Creating a will is a landmark accomplishment. But even if you already have a will, you'll want to examine it periodically to make sure it continues to reflect your wishes.

At the very least, your will should be reviewed and possibly revised any time you experience a major life change such as:

- Loss of a spouse
- Remarriage or divorce
- Death of an heir
- Significant change in the health of your proposed executor or alternate executor
- Changing relationships with family members or others you may have included
- Birth of children or grandchildren
- Major shifts in assets, such as the sale of real estate or a business
- Maturation of long-term investments
- Changes in estate tax laws that impact the distribution of your assets

Creating a will is a landmark accomplishment. But even if you already have a will, you'll want to examine it periodically to make sure it continues to reflect your wishes. When needed, revisions can be addressed through an amendment, or codicil. This is a simple attachment that can be added to your existing will. For major revisions, it is best to seek professional advice from an attorney.

THREE PILLARS OF EVERY ESTATE PLAN

Will Living Will Power of Attorney

Conveying your wishes in a **will** is important. But two other documents are equally important: a **living will** (also known as an advanced directive) and a **power of attorney**. Both can easily be amended or revoked if you change your mind. But by taking care of these matters now, you can save your loved ones immeasurable grief and stress.

A **living will** lets medical personnel know whether or not you want measures taken to support your life if and when such measures become needed. These measures can range from temporary nutrition to breathing assistance and more. Most hospitals can provide you a form at no charge. It must be signed well ahead of time, while you are of sound mind, in order to be valid. It's a good idea to read and complete your living will, and to make sure your family members understand your views on certain issues. Unless you have a living will, medical personnel will do everything within reason to sustain your life. Check your local and state laws for clarification.



A **power of attorney** gives someone the authority to make decisions for you if you become unable to handle your own affairs. It's possible to define the types of decisions this person may make and for how long. Like a living will, a power of attorney may be amended or revoked at any time.

When selecting an individual to serve in this role, choose carefully. Most people designate a family member or trusted friend. It's a good idea to discuss this appointment in detail so the individual is clear on his or her responsibilities and will not be surprised by the role.

CHARITABLE GIVING THROUGH YOUR WILL OR OTHER GIFT PLAN

Making a gift through your will or other gift plan to Kin On isn't just for the wealthy or for those trying to minimize estate taxes. It's a wonderful way to leave a legacy and continue a lifetime of support for an organization and cause that has been important to your life and you hold near to your heart. And because gifts grow through the years, virtually any amount will have a magnified effect.

There are many different types of gift plans. The most popular are described here, as well as language you may use to include in or add to your will. Unless otherwise designated, all gifts to Kin On are placed in the Endowment Fund for permanent investment, with the income being used to finance Kin On services.

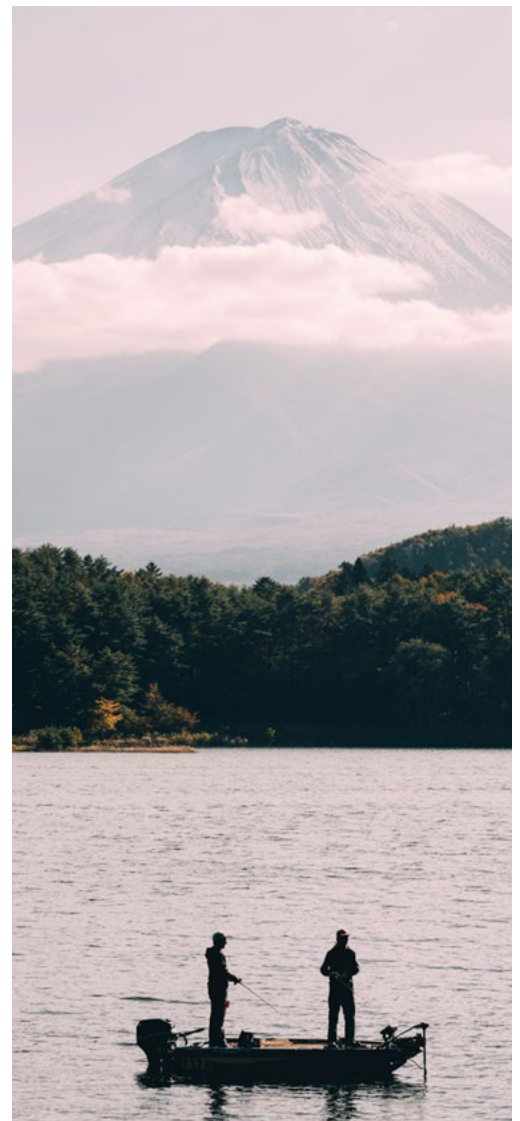
Join a proud tradition of caring

All planned gift donors are made members of the Kin On Legacy Society. In honor of their commitment to our work, members receive a personalized welcome package, listed on the official Kin On Legacy Society Honor Roll, and invited to an annual Legacy Society Luncheon.

Make a lasting impact through your will

After providing for family, friends and others in their wills, many individuals also choose to remember organizations important to them. If you believe in the mission of Kin On, this is an important and lasting way for you to help ensure our work will always continue.

See the suggested wording that follows for different types of bequests.



INCLUDING KIN ON IN YOUR WILL

TYPE OF GIFT THROUGH YOUR WILL	LANGUAGE TO USE
Outright Bequest: an unrestricted gift in which you give Kin On a specified dollar amount or specified assets, such as securities, real estate or tangible personal property.	“I give [__ percent of my estate, or description of asset, or ____ dollars] to Kin On Health Care Center., a Washington nonprofit corporation, 4416 S. Brandon St., Seattle 98118, Kin On Health Care Center Tax ID 91-1620786), for its general use.”
Residual Bequest: a gift in which you give Kin On all or a percentage of the remainder of your estate after specific amounts designated for other beneficiaries are distributed and estate related expenses are paid.	“I give [__ percent of the residue of my estate, or description of asset, or ____ dollars] to Kin On Health Care Center., a Washington nonprofit corporation, 4416 S. Brandon St., Seattle 98118, Kin On Health Care Center Tax ID 91-1620786), for its general use.”
Contingent Bequest: a gift that provides for Kin On upon the occurrence of a certain event — if, for example, your primary beneficiary does not survive you.	“In the event that (insert name) predeceases me, I give, devise, and bequeath his/her bequest or share to Kin On Health Care Center., a Washington nonprofit corporation, 4416 S. Brandon St., Seattle 98118, Kin On Health Care Center Tax ID 91-1620786), for its general use.”

MAKING A GIFT OUTSIDE YOUR WILL

Remembering an organization in your will is one way to make a difference. But numerous other assets can pass directly to a beneficiary organization outside your will. Review the types of assets described here, and consider which you might wish to assign to a worthwhile charity like Kin On.

The benefit of remembering Kin On outside your will is threefold.

- First, the value of these gifts need not be included in the total value of your estate, which may reduce the tax liability of your beneficiaries.
- Second, you will also avoid capital gains tax on the accrued value of certain assets, because the appreciated value can pass directly to Kin On.
- Finally, assets that are subject to income tax when received by the named individuals (e.g., IRA funds) can be distributed to Kin On who would owe no income tax.

// GIFTS OF CASH //

An important and simple way to help a favorite cause

An outright gift of cash qualifies for a full charitable deduction for most donors who itemize on their federal income tax returns. Donors who make a gift in this way recognize the importance of their annual support and enjoy seeing the immediate results of their generosity.

For income tax purposes, current tax law allows you to deduct an amount of up to 100 percent of your annual adjusted gross income for cash gifts. Any deduction in excess of that amount can be carried over for up to five years, until it is used up. For maximum tax benefit, carefully consider the amount and timing of your gift.

// APPRECIATED SECURITIES //

Save taxes twice

Making a gift of appreciated securities is a popular alternative to a cash gift because it saves taxes twice. As long as you've held the securities for more than one year, you will receive an income tax deduction for its full fair market value. You'll also avoid capital gains tax on the appreciation.

What's more, if appreciated securities are used to make a bequest to Kin On, or to fund a charitable trust, gift annuity or other gift plan arrangement, you may realize substantial estate and gift tax savings as well.

You may claim an income tax charitable deduction of up to 100 percent of your annual adjusted gross income for a gift of securities held for more than one year. As with gifts of cash, any deduction you cannot use in the year of your gift may be carried over and used for up to five additional years.

// REAL ESTATE //

An extraordinary gift

Kin On accepts all types of real estate, including primary and vacation homes, commercial, undeveloped and rental property. Real estate gifts can be made outright or to fund a charitable remainder unitrust or a gift of a retained life estate.

// INSURANCE POLICIES //

Sole or partial beneficiary

Life insurance affords numerous charitable giving options. Kin On can be named the sole beneficiary of a life insurance policy. We can also be named as a partial beneficiary, allowing you to share your policy amount between multiple beneficiaries.

Many individuals own life insurance policies purchased long ago that are no longer needed to provide necessary protection for loved ones.

A policy that is paid up can earn the donor an income tax deduction when the ownership is transferred to Kin On. If a policy is still in effect, Kin On can be named both owner and beneficiary. If Kin On decides to keep the policy in effect, the donor will receive additional deductions for any premium payments made.

What's more, if appreciated securities are used to make a bequest to Kin On, or to fund a charitable trust, gift annuity or other gift plan arrangement, you may realize substantial estate and gift tax savings as well.

You may claim an income tax charitable deduction of up to 100 percent of your annual adjusted gross income for a gift of securities held for more than one year. As with gifts of cash, any deduction you cannot use in the year of your gift may be carried over and used for up to five additional years.

NAMING KIN ON AS YOUR BENEFICIARY IS SIMPLE

Beneficiary-designated property (e.g., retirement plans and insurance) does not pass through your will or trust. Therefore, naming Kin On as beneficiary of a retirement plan or an insurance policy requires that you change your beneficiary designation form with your plan sponsor or insurance company.

NAME

Kin On Health Care Center, Seattle, WA

ADDRESS

Kin On Health Care Center
4416 S. Brandon St.
Seattle, WA 98118

FEDERAL TAX IDENTIFICATION NUMBER

91-1620786 (use in place of Social Security number)

RELATIONSHIP

Non-profit organization

QUESTIONS?

Contact Kin On's Fund Development Office at **206.556.2270** or e-mail **development@kinon.org** and team member will be happy to assist you.

GLOSSARY OF TERMS

Advanced Directive

Written instructions expressing your wishes regarding life support and other medical interventions. Also known as a Living Will.

Adjusted Gross Income (AGI)

The sum of an individual's taxable income for the year is the total at the bottom of the first page of Form 1040. Individuals may deduct charitable cash contributions up to 100 percent of AGI; they may deduct gifts of appreciated securities and appreciated property up to 30 percent of AGI.

Beneficiary

The recipient of a bequest from a will or a distribution from a trust.

Bequest

A transfer of personal property to an individual or organization under a will.

Capital Gains Tax

A federal tax on the appreciation of an asset between its purchase and sale prices.

Codicil

An amendment to a legal document such as a will.

Estate Tax

A federal tax on the value of the property held by an individual at his or her death (paid by the individual's estate, not the heirs or recipients of bequests). In contrast, state inheritance tax is applied to the value of bequests passing to beneficiaries; it is also paid by the estate before the distributions are made.

Executor

The person named in a will to administer the estate (known in some states as the Personal Representative).

Living Will

Written instructions expressing your wishes regarding life support and other medical interventions. Also known as an Advanced Directive.

Personal Property

Securities, artwork, business interests and items of tangible property as opposed to real property (the term real property is used in gift planning to refer to land and the structures built on it).

Trust

A transfer of property by the Grantor to the care of an individual or organization, for the benefit of the Grantor or others.



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