



TREE HOUSE

HUMANE SOCIETY

Estate Planning and Planned Giving Options

Just as you take care to provide for your pet now, there are important steps you can take to make sure that your pet is cared for after you're gone and to support other cats who urgently need help. There are many available options to achieve your charitable giving goals. To assist in your financial planning, following is a brief overview of planned giving options. Please understand that this information is not intended to be specific financial or legal advice. You'll want to consult an attorney or qualified financial advisor to identify the choices that best fit your situation.

What Is Planned Giving?

Planned giving offers you a way to integrate your financial goals with your personal values and causes that matter most to you. It provides flexible options for making a charitable gift to Tree House to support the work we do and secure your legacy. Your generous planned gift will support Tree House's ongoing efforts to create a world in which every cat thrives.

Some benefits of planned giving may include:

- Creating sound financial plans for you and your loved ones that can be executed easily when you pass away
- Maximizing tax benefits for you and your family
- Increasing your current income

Bequests

A bequest is one of the easiest ways to support Tree House's work and leave a legacy that reflects your lifetime commitment to animal welfare. Bequests are simple (requiring only a few sentences in your will), flexible, and offer you a way to give more than might otherwise be possible. Designating Tree House Humane Society as a beneficiary in your will has no effect on your current assets and is not limited to money, stocks, or securities. In fact, property, artwork, life insurance, savings accounts, or company pensions may all be bequeathed. A bequest from a will to Tree House Humane Society is tax-deductible and usually exempt from gift

and estate taxes. Please consult an attorney or professional to properly structure your bequest.

How Bequests Work

There are several different types of bequests. It's important for you to understand the differences to make the right choice for your situation.

Unrestricted Bequest

This is the most generous type of bequest and enables you to make an outright gift of cash or property, i.e. a set amount such as \$10,000 to Tree House, or you can specify a percentage of the balance of your estate (the residual or remainder) after taxes, gifts, expenses, and specific bequests have been satisfied. This enables Tree House to use your gift to benefit our work where it's most needed at the time.

Restricted Bequest

While this is similar to an unrestricted bequest, there is an important difference. A restricted bequest requires that your gift be used only for the purposes you've specified in your will. While this may seem beneficial because it enables you to designate your gift for a specific program that is important to you, it can create unforeseen challenges. Because the gift is restricted, any change in Tree House's programs or operations might render the gift invalid. Therefore, the best way to ensure your gift will honor your wishes is with an unrestricted bequest or very careful language to honor your intent which also allows for flexible use of your funds. Please contact us as you are drafting your will to discuss the contemplated restrictions.

Contingent Bequest

This type of bequest allows for the possibility of changing circumstances and certain events. For instance, the bequest may take effect only if a primary beneficiary predeceases you. You can give, or bequeath, the remainder of your estate to Tree House if neither your spouse nor another descendant survives you.

What's the difference between a will and a trust?

A will is a legal document that outlines how you would like your assets distributed and to whom after your death. It is a private, revocable document that only takes effect after your death. Without a properly drafted will, the courts will decide what happens to your assets.

A trust is a legal entity that holds your assets during your lifetime and enables you to place conditions on how certain assets will be distributed after your death. Upon your death, a trust transfers ownership of your assets as you designate. In most cases, trusts deal only with specific assets, such as life insurance or a piece of property, while a will typically outlines the distribution of most other items.

Consult an attorney or your financial advisor for guidance on which to choose, as well as how to properly establish a will or trust.

Charitable Remainder Trust

Charitable Remainder Trusts offer you a way to create a deferred giving plan that can result in savings in your current income taxes as well as gift and estate taxes for your heirs. This entity also offers a way to provide current or future income for you and/or your beneficiaries.

How Charitable Remainder Trusts Work

There are two types of Charitable Remainder Trusts:

Charitable Remainder Annuity Trust

This offers a way to make a generous gift to Tree House while providing you and your loved ones with a fixed income by paying a fixed annuity either over a defined period of time (not to exceed 20 years) or for the lifetime of your named beneficiaries. After that period, the remaining principal is used for charitable purposes as you define.

Charitable Remainder Unitrust

Similar to an annuity trust, the charitable remainder unitrust provides you and your beneficiaries with a variable income for a fixed term or based on the trust's value. The payout rate is applied to the fair market value of the trust assets determined annually. This means that the amount of the annuity may change from year to year depending on the changing value of the trust assets. You can save on capital gains taxes as well as receive an immediate income tax deduction for a portion of your contribution.

Charitable Lead Trust

This entity enables you to support Tree House's work and leave a legacy for your loved ones while reducing the tax costs for your heirs in the future. In certain instances, a charitable lead trust is one of the most innovative and valuable estate planning tools.

How a Charitable Lead Trust Works

The trust can be funded either during your lifetime or through your will. Your contribution of assets, such as securities or real estate, toward the trust then pays a prescribed amount annually to support Tree House's work for a determined period of years. When the trust terminates, the principal then passes to your heirs.

Life Insurance

Sometimes life insurance policies are purchased for specific reasons that no longer apply. A gift of life insurance can be an easy way to give to Tree House at a level you would not think possible. When you name Tree House Humane Society as your beneficiary and irrevocably assign ownership to us, you may receive a charitable tax deduction as well as reduce your estate taxes. Additionally, if you continue to pay premiums after making the gift, these may offer tax deductions.

How a Life Insurance Gift Works

You can name Tree House Humane Society as the recipient of dividends or as the primary, secondary, or contingent beneficiary of the policy or one of its provisions. Simply contact your insurance company and ask for a change of beneficiary form and name Tree House Humane Society as the beneficiary of an existing policy. After your lifetime, proceeds from the policy will be transferred to Tree House. This gift may be free of estate tax and is a convenient way to support Tree House and your lifelong commitment to animal welfare.

Making Tree House a Beneficiary of Your Pension or IRA

You may list Tree House Humane Society as the sole or partial beneficiary of your pension plan or Individual Retirement Account (IRA). After your death, Tree House will receive the remaining assets in either the pension plan or the IRA.