

Pemaquid Watershed Association's mission-driven service area: the Pemaquid Peninsula



How to Make Your Gift

Some of the most popular planned giving methods are briefly described in this brochure. Determining how to make the best use of any of these opportunities requires thoughtful consideration of your own personal circumstances and priorities, and careful planning in consult with your own tax, financial, and legal advisors.

Should you desire more information on any of these ways of giving, please contact PWA.

We would be happy to work with you and your advisors on a confidential basis to explore the most suitable method for you to achieve your goals.

Pemaquid Watershed Association is a 501(c)(3) charitable nonprofit organization dedicated to conserving the natural resources of the Pemaquid Peninsula of Maine.

PWA was established in 1966 and has been a Land Trust since 1988.

All gifts are subject to review and approval by the Pemaquid Watershed Association Board of Directors.



Pemaquid Watershed Association

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PLANNED GIVING



Leaving a Conservation Legacy for the Pemaquid Peninsula of Maine



Pemaquid Watershed Association

Conserving the natural resources of the Pemaquid Peninsula of Maine.
Est. 1966

Planning for our Community's Future

Long-range charitable gift arrangements are commonly referred to as “planned gifts.” Planned giving aids the Pemaquid Watershed Association (PWA) in accomplishing its mission to conserve the natural resources of the Pemaquid Peninsula and is a way that people create significant and deep meaning in their lives.

Creating a legacy that future generations can appreciate provides a powerful example of “giving back.” With financial and tax planning, your gift may also provide benefits for you and your family.



- ✓ Bequests by Will
- ✓ Life Insurance & Pension Plans
- ✓ Appreciated Securities
- ✓ Life Income and Related Gifts
- ✓ Real Estate & Conservation Land
- ✓ Charitable Lead Trusts

✧ Ways to Leave a Legacy ✧

• Bequests by Will

When creating or modifying a Last Will and Testament, a donor can bequeath a gift to PWA. Gifts made by will include, but are not limited to, real estate, managed assets, cash, and life insurance proceeds. The bequest is tax deductible against the entire estate and thus may benefit heirs by either eliminating estate tax or reducing the rate of taxation.

• Life Insurance & Pension Plans

PWA can be named as a primary or secondary beneficiary under life insurance, individual retirement accounts, or other qualified pension plans. Typically, there is no immediate tax deduction upon the naming of a charity under these contracts, but the donor's estate may benefit from reduced or eliminated estate taxes.

• Appreciated Securities

Gifts of securities to PWA are generally tax deductible for income tax purposes to the extent of the market value of the securities at the time of the gift. PWA can sell the securities and direct the proceeds to build the PWA endowment or use them to meet other critical needs. The donor can achieve a second tax savings because the capital gain of the appreciated securities would not be taxed.

• Life Income and Related Gifts

Life income techniques typically invest assets to provide income to the donor and a delayed gift of principal to PWA. These tax-advantaged ways of giving appreciated assets while avoiding capital gain taxes include, among others, pooled income funds, charitable gift annuities, and Charitable Remainder Trusts.

Under *Charitable Remainder Trusts*, the donor creates a trust into which assets such as cash or securities are transferred. The trustee invests the assets and provides you with an income for life while designating PWA as the ultimate beneficiary of the remaining assets

in the trust. In the year the trust is created, the donor receives an income tax deduction based on the present value of the remainder interest, which ultimately will be received by PWA.

• Real Estate & Conservation Land

Gifts of property to PWA are tax deductible for the year in which the gift is made. To the extent the gifts of property exceed 30% of adjusted gross income, the excess is carried over for deduction in as many as 5 succeeding years.

Real estate can be given to PWA by:

- ✓ *Outright Gift*: An outright gift of real estate typically gives rise to a charitable deduction equal to the fair market value of the property donated. The value of the property is removed from the taxable estate for estate tax purposes.
- ✓ *Bargain Sale*: You may sell your property to PWA for less than its appraised market value. This type of transfer results in charitable deduction for income tax purposes in an amount equal to the difference between fair market value of the property and its bargain sale price. The charitable deduction may offset any taxable gain recognized on the sale of the property.
- ✓ *Retained Life Estate*: Under this approach, a donor gifts a property to PWA but may retain possession of the property for his/her lifetime or for a specific number of years.
- ✓ *Conservation Easement*: (See PWA's *Conservation Easement* brochure.) Donation of a conservation easement may qualify as a tax-deductible gift if the easement meets requirements of the federal tax code and provides significant public benefits.

• Charitable Lead Trusts

A donor can make a gift to PWA while at the same time transferring assets to beneficiaries. Assets such as cash or securities are transferred to a trust to last for a pre-determined number of years. The trustee invests the assets and distributes the income to PWA in accordance with the trust instrument. This income provides a tax-deductible gift to the donor. Upon termination of the trust, the remainder is returned to the donor or to the other beneficiaries designated by the donor.