



# *Martinez Education Foundation*

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## **Martinez Education Foundation Legacy Fund**

The Legacy Fund is an existing endowment fund for the exclusive benefit of the Martinez Education Foundation (“MEF”). The Legacy Fund provides MEF with the long term stability and sustainability necessary to continue in perpetuity MEF’s vision of providing community/business support for the present and future generations of students in the Martinez public schools.

There are several methods available for community members and/or business interests to support the MEF Legacy Fund.

1. Annual Giving

Tax deductible gifts (cash, stock, art, cars, jewelry, real estate, etc.) designated to MEF’s Legacy Fund is a gift that keeps on giving for the exclusive benefit of present and future generations of Martinez students. The supporter/donor is given the opportunity during the person’s lifetime to follow and/or be involved with MEF’s progress towards achieving MEF’s goals.

2. Bequests by Living Trusts or Wills

This is the most popular type of planned giving. This type of gift does not affect the supporter/donor’s cash flow during the person’s lifetime. The supporter/donor has the option to leave MEF’s Legacy Fund a specific dollar amount, a specific asset, a percentage of the person’s estate, or the remainder of the supporter/donor’s estate after all other bequests are fulfilled. A bequest from a Living Trust or Will is fully deductible for federal estate tax purposes, and there is no limit on the deduction the estate can claim. In addition, the gift is usually exempt from state inheritance taxes.

3. Life Insurance

A supporter/donor may desire to provide MEF’s Legacy Fund with a gift of an unneeded insurance policy. Alternatively, a supporter/donor has the option to name MEF’s Legacy Fund as a beneficiary of an existing or new life insurance policy. A life insurance gift can create a significant donation to the Legacy Fund without affecting the capital assets of the supporter/donor. MEF encourages any person considering this type of gift to consult with the supporter/donor’s advisor to determine the specific tax benefits one may receive as a result of this type of gift.

4. Retirement Plan Assets

Another option available to a supporter/donor is to name the MEF Legacy Fund as a beneficiary of the person’s qualified plan or IRA. Retirement funds such as IRAs and pensions are excellent assets to designate for charitable purposes because they are often the most heavily taxed assets in an estate. Unlike individuals, MEF can access funds without incurring income taxes. In short, a supporter/donor’s retirement plan may be worth more to MEF than to the person’s heirs. MEF encourages any prospective supporter/donor considering this type of gift not to direct it to MEF through the person’s Living Trust or Will. If the gift is directed through a Living Trust or Will, it becomes part of the taxable estate. Instead, MEF encourages the supporter/donor to use the retirement plan’s successor beneficiary form.

The above is a short summary of several options available for a person or business to support the MEF Legacy Fund. MEF encourages supporters/potential donors to consult closely with their attorney and accountant to fully educate themselves as to all ramifications involved with any intended gift to MEF. In addition, MEF encourages any supporter to contact MEF if the supporter has remembered MEF in his/her estate planning. MEF would like to reach out to supporters/donors who have included the MEF Legacy Fund in their Living Trusts and/or Wills.