



Legacy Giving Program Guide

What is a legacy gift to First Parish?

A legacy gift is a financial commitment made to First Parish now that the church will receive in the future. Some other organizations refer to these types of gifts as planned gifts. The most common legacy gifts are bequests in your will or revocable trust. When your estate is settled, that portion of your assets earmarked by you will be given to First Parish to provide support in future years.

Your legacy gift to First Parish will continue your support of our mission long beyond your lifetime. Your gift will be pooled with others made throughout our history, invested, and used to support our programs, maintain our physical infrastructure, and buffer our budget from sudden shifts in the economy. We hope you will consider making a legacy gift to First Parish.

What is the First Parish Legacy Giving Program?

The First Parish Legacy Giving Program has been established by the Trustees of Parish Donations and the Finance Committee.

Legacy gifts to First Parish are collected in the First Parish Legacy Investment Fund (formerly referred to as the endowment). This fund is managed by the Trustees of Parish Donations, an elected group of five members who meet seven or eight times a year to monitor the church's investments, property other than the meeting house, and other assets. You can make a contribution to the First Parish Legacy Investment Fund at any time.

The Legacy Giving Program currently supports four different types of legacy gifts, including:

- **Bequests** to First Parish in Concord in your will or revocable trust
- Designating First Parish in Concord as a **beneficiary of your IRA, 401(k), or other retirement account**
- Designating First Parish in Concord as a **beneficiary of your life insurance policy**
- **Charitable gift annuities**, which provide you with a reliable income stream while you are alive, with First Parish in Concord and/or the UUA receiving the remainder at your death

There are other more complicated types of legacy gifts you can make, but you should consult with your financial advisor and attorney to determine if one of these will best meet your needs and situation.

Why should I contribute to the Legacy Giving Program?

Since 1885, First Parish parishioners have made many small and large gifts to our Legacy Investment Fund. The typical person who makes a legacy gift isn't a millionaire or independently wealthy. Rather, most legacy givers are simply members who want to make a commitment to the future of our liberal faith. They are people who wish to support the future of our church beyond their lifetimes.

Each of us, at the end of life, wants our assets to support people, causes and institutions we care about that reflect who we are. A legacy gift shows your deep, long-term commitment to First Parish. It will live on beyond you, and nourish the values we share. It will help secure the financial and programmatic future of First Parish in Concord. By making your legacy gift you are making a contribution that grows and provides lasting benefits to the church.

Why are legacy gifts important to First Parish?

First Parish is a wonderful community, engaged in many fine efforts, ranging from Sunday Services and Religious Education to Social Action and Pastoral Care to our partnership with Székelykeresztúr. We are a community of activists. In our over 350-year history, many people have been involved in making our world a better place. Your legacy gift supports the efforts of future activists for generations to come. Your voice and your presence will live on through the gift you make.

To do the work of this parish, we must raise money each year through our Annual Pledge Campaign. There is significant stress on these annual fundraising efforts, especially in times of economic uncertainty. One way to minimize that pressure is to increase our Legacy Investment Fund. Each year a portion of the fund is provided to support the annual operating budget of First Parish. This amount is generally 3.5-4.0 percent of the total invested fund. If we can increase our Legacy Investment Fund, the annual payout from the fund will grow, First Parish will be able to do more, and pressure on annual fundraising efforts will be reduced. The Legacy Investment Fund also provides an additional level of financial security in times of unexpected need.

How much should I consider giving?

With the exception of charitable gift annuities (which have a minimum of \$10,000), there is no minimum amount for a legacy gift to First Parish, but it may be the largest charitable gift you make! There are many ways to think about an amount, but one common approach is to choose a sum that would--by adding a certain amount to the Legacy Investment Fund--in effect replace your current annual pledge in perpetuity. For example, assuming the Legacy Investment Fund will provide 4 percent of your legacy gift to First Parish each year, then a \$50,000 gift would provide \$2,000 each year to First Parish operations. In addition, over the long term, your legacy

gift would grow along with the Legacy Investment Fund as the stock market rises and additional gifts are received.

What is the Legacy Giving Committee and who are the members?

The Legacy Giving Committee administers the Legacy Giving Program at First Parish, and is responsible for reviewing, properly screening, and deciding whether to accept legacy gifts offered to First Parish. The committee members are:

- Howard Dana, Senior Minister, email: hdana@firstparish.org
- Tom Wilson, Treasurer of First Parish in Concord, email: twilson@wilsongroup.com
- Philip vanderWilden, Treasurer of the First Parish Trustees of Parish Donations, email: philipv@crawford-idema.org
- Fifi Ball, Director of Operations, email: fball@firstparish.org
- Laura Bernstein, Trustee, email: lnrb1943@gmail.com
- Patty Popov, Standing Committee and Finance Committee member, email: ppopov@nichols-pratt.com
- Fred Van Deusen, Finance Committee member, email: fredvandeu@gmail.com

How does the Legacy Giving Program work?

While the church cannot offer financial or tax advice regarding your gift, members of the Legacy Giving Committee will be happy to answer your questions about different gift types. We encourage you to work with your attorney and/or financial advisor to select the approach that is right for you. There are currently four basic options available to you through this program: ***bequests, retirement plan beneficiary designations, life insurance beneficiary designations, and charitable gift annuities.*** (There are additional options you may wish to consider under certain circumstances, including pooled income funds, charitable remainder trusts, and charitable lead trusts, that will not be discussed further here. Pooled income funds are more attractive in a higher interest rate environment. Charitable remainder trusts and charitable lead trusts are more complex and individualized vehicles better discussed with your professional advisors.)

Bequests

A bequest is a provision in your will or revocable trust designating a fixed dollar amount, a percentage of your assets, or the remainder of your estate will be given to First Parish in Concord, upon settlement of your estate. Most bequests are fully revocable while you are alive.

Language for Wills

You may add a simple codicil to your will to create a bequest for First Parish. You can make a specific bequest by identifying a block of stock or bonds, a specific parcel of real estate, or other clearly identified marketable asset. Or, you can make a cash bequest in a specific amount or as a percentage of your estate. You can also make a residual bequest from the remaining assets in your estate after all other specific bequests and settlement costs are satisfied.

Most bequests are undesignated which makes them available for general use as part of the Legacy Investment Fund. This fund exists in perpetuity and generates annual income for First Parish. If you wish to designate a bequest for a particular program or other purpose at First Parish, please first talk with a member of the Legacy Giving Committee to ensure your bequest can be accepted.

The following sample language can be used to fulfill your charitable objectives:

Specific Amount: I give, devise, and bequeath \$ _____ to First Parish in Concord.

Percentage Bequest: I give, devise, and bequeath _____ % of my gross estate to First Parish in Concord.

Residuary Bequest: I give, devise and bequeath the rest, residue, and remainder of my estate to First Parish in Concord.

Language for Trusts

You may amend your revocable trust to create a bequest for First Parish in Concord. This can be done at any time or as part of a review and updating of your trust, which is recommended every 5-10 years as the relevant laws change. You can make a specific bequest by identifying a block of stock or bonds, a specific parcel of real estate, or other clearly identified item. Or, you can make a cash bequest in a specific amount or as a percentage of your estate. You can also make a residual bequest from the remaining assets in your estate after all other specific bequests and settlement costs are satisfied.

Most bequests are undesignated which makes them available for general use as part of the Legacy Investment Fund. This fund exists in perpetuity and generates annual income for First Parish. If you wish to designate a bequest for a particular program or other purpose at First Parish, please first talk with a member of the Legacy Giving Committee to ensure your bequest can be accepted.

The following sample language can be used to fulfill your charitable objectives:

Specific Amount: The Trustee shall distribute \$ _____ to First Parish in Concord.

Percentage Bequest: The Trustee shall distribute _____ % of my gross estate to First Parish in Concord.

Residuary Bequest: The Trustee shall distribute the rest, residue, and remainder of my estate to First Parish in Concord.

Retirement Plan Beneficiary Designations

You can designate First Parish as a beneficiary of your IRA, 401(k), or 403(b) plan, for a specific amount or a percentage of total assets. Such gifts can save on income and estate taxes.

Leaving a portion of your retirement plan account to First Parish in Concord can help you get the most value from your estate and protect your heirs from taxes. These retirement assets are subject to income taxes when paid out to a taxable entity (i.e., most people, even your spouse or children), even when the estate is too small to owe estate taxes. These taxes can reduce the amount received by your heirs by up to 35 percent. In contrast, nonprofit organizations such as First Parish are eligible to receive the full amount at your death without facing any income tax liability. Income taxes can be avoided or reduced through a carefully planned charitable gift. There are three common approaches:

Designate First Parish in Concord as a primary beneficiary for a percentage (1 to 100 percent) of your retirement plan account.

Designate a specific amount to be paid to First Parish in Concord before the remainder is directed to family or other individuals.

Make First Parish in Concord the contingent beneficiary to receive the balance only if a loved one, as primary beneficiary, doesn't survive you.

To implement your wishes, please contact your plan administrator, then complete and sign whatever forms are required. This can often be done on-line. You may wish to contact your attorney to be sure you are using the correct language.

Life Insurance Beneficiary Designations

You can designate First Parish in Concord as a beneficiary of all or a portion of your life insurance benefits. A traditional life insurance policy (with an accumulated cash value) can be a valuable asset. If the original purpose for the protection no longer applies—such as to educate children now grown or to provide financial security for a spouse now deceased—a life insurance policy can be redirected to help support a worthwhile cause such as First Parish in Concord.

To implement your wishes, please contact your life insurance agent or company and obtain and complete the needed change of beneficiary form. You may wish to contact your attorney to be sure you are using the correct language.

Charitable Gift Annuities

First Parish's Charitable Gift Annuity program is professionally managed and administered by the Office of Legacy Gifts at the Unitarian Universalist Association and State Street Global

Advisors. Fifi Ball, Director of Operations at First Parish, is happy to work with you and the UUA to establish a charitable gift annuity.

A charitable gift annuity is a good arrangement for someone looking to augment their retirement income because it generates a fixed dollar income for the rest of your life. In exchange for your irrevocable gift of at least \$10,000 in cash or publically traded securities, the UUA will pay you a lifetime income based on your age (minimum 65) at the time of your gift. At the end of your life, money remaining in the annuity (the ultimate gift) is distributed to First Parish (and/or the UUA) as you specify. The gift annuity can be for one or two people, so a spouse or other loved one can also receive payments for life.

A portion of the initial gift is income tax–deductible based on IRS rules about the expected value of the ultimate gift. Charitable gift annuity payments are partially income tax–free throughout your estimated life expectancy. If you use appreciated stock to make a gift, you can usually eliminate capital gains tax on a portion of the gift and spread the rest of the gain over your life expectancy.

If you are interested in making a charitable gift annuity, please contact Fifi Ball. She will work with the UUA on your behalf.

1. The first step is to determine (a) the approximate size of the gift you are considering; (b) whether you want a single-life or joint-life annuity; (c) the birthdates of each annuitant; (d) the type of asset (cash or marketable securities); and (e) if securities, the cost basis of them.
2. Provide Fifi Ball with the information in number 1 above. Fifi will convey that information to the UUA and they will run a simulation illustrating the financial benefits of your gift annuity, including quarterly payments to you, your one-time charitable deduction, and the tax breakdown. If you prefer to work directly with the UUA you may contact Laura Randall at 617-948-6511, giftplans@uua.org.
3. After you receive the illustration you should discuss the details with your financial and tax advisors. You can then decide whether you want to proceed and if so, the amount you will allocate to your annuity.
4. If you do decide to proceed, then you will work with Fifi and the UUA to complete the necessary form and have all documents prepared and funds transferred. Checks are payable to the Unitarian Universalist Association.

Are there any restrictions on the types of gifts I can make?

It is preferred that legacy gifts to First Parish be made without designation or restriction as to the use of the funds. First Parish will not accept gifts that are too restrictive. Gifts that are too restrictive are those that violate the terms of our charter, gifts that are too difficult to administer, or gifts that are for purposes outside the mission of First Parish. The types of gifts that are acceptable include cash or checks, marketable securities, tangible personal property, and marketable real estate. First Parish has a policy titled *Legacy Giving Policies and Guidelines*.

Please contact Fifi Ball or another member of the Legacy Giving Committee if you (or your advisor) would like a copy of the policy.

How are the gifts to the First Parish Legacy Investment Fund managed?

The funds First Parish receives from the settlement of estates are pooled into the Legacy Investment Fund. This fund contains contributions made since 1885 and it supports the annual operating budget and critical financial needs of First Parish. It is managed by the Trustees of Parish Donations and a professional investment management firm. The Trustees have an investment policy and publish results annually. A portion of the investment funds is provided each year to support the annual operating budget of First Parish. This amount is generally 3.5 to 4.0 percent of the Legacy Investment Fund, which in turn represents approximately 9% of our total operating budget. If you would like information on the investment policy, current invested assets, or other historical information, please contact the Chair or the Treasurer of the Trustees of Parish Donations.

What is the Legacy Circle and how can I join?

Anyone who establishes a legacy gift to First Parish in Concord and completes the Legacy Gift Form (see Appendix) is automatically made a member of the First Parish Legacy Circle. It is our means of recognizing your lasting commitment to First Parish. If you wish to be an anonymous member you may do so.

If you have already made a legacy commitment to First Parish in your estate plan, the Legacy Giving Committee would like to know about it so that we can thank you for your generosity, make you a member of the Legacy Circle, and use this information to assist in our long-term planning. Please complete the Legacy Gift Form in the Appendix, or on the First Parish website under Legacy Giving, and send it to Fifi Ball at fball@firstparish.org; or just call Fifi to let her know of your arrangements.

I'm interested in making a legacy gift. What do I do next?

We are gratified you are considering making a legacy gift, and appreciate your commitment to First Parish. We are here to answer your questions. Here is the "pathway" for moving forward:

1. Talk with your advisors and family and decide on the kind and amount of gift you want to leave to First Parish. Will you leave a set dollar amount or a percentage of certain assets? Do you want your gift to go to the general Legacy Investment Fund or be designated for a particular purpose or program(s) at First Parish?
2. Contact Fifi Ball, Director of Operations, or another member of the First Parish Legacy Giving Committee. Let us know what you are considering and whether you need assistance. While the church cannot offer financial or tax advice regarding your gift, we will be happy to answer your questions about the different gift types. We also want to be sure First Parish can accept your gift as you want to designate it; we may

not be able to accept certain kinds of real property, or funds designated for a very narrow purpose. Of course, your information will be held in strict confidence, depending on your wishes.

3. Execute your legacy gift by doing one or more of the following:
 - a. work with your attorney to add or change language in your will or revocable trust;
 - b. change your retirement plan or life insurance beneficiary forms; or
 - c. work with Fifi Ball to establish your charitable gift annuity.
4. Complete the Legacy Gift Form in the Appendix of this document (or on the First Parish website under Legacy Giving), and give it to Fifi Ball so we will know of your gift, and, if possible, the projected amount First Parish may receive. This information will be kept confidential, and is for our record-keeping only.
5. We will welcome you as a member of our Legacy Circle. Determine whether or not you want your name to be listed with others, or kept confidential. We recognize Legacy Circle members by name only. We will not disclose the amount or nature of your gift. Please notify First Parish if you make future changes or adjustments to your legacy gift.
6. Upon settlement of your estate, your funds will be given to First Parish according to your wishes, and will serve to support the needs and activities of First Parish for the indefinite future!

For the most current information about the Legacy Gifts Program, please see the First Parish website under Giving/Legacy Giving.

Thank you ... for both your generosity and your efforts on behalf of First Parish in Concord!

With warmest regards,

The First Parish Legacy Giving Committee

APPENDIX



First Parish in Concord

LEGACY GIFT FORM

As evidence of my desire to provide a legacy of support to First Parish in Concord, I hereby inform First Parish in Concord that I have made provisions for a gift to First Parish in my estate plan. I understand that this commitment can be modified by me at any time.

Name: _____

Name: _____

Street Address: _____

City: _____ State _____ Zip _____

Phone: _____ Email: _____

Phone: _____ Email: _____

I have made provisions to leave a gift to First Parish in Concord in my:

____ Will ____ Revocable Trust ____ Life Insurance Policy

____ Retirement Plan Assets ____ Charitable Gift Annuity (Not revocable)

Other: _____

Is this an unrestricted gift to be placed in the First Parish Legacy Investment Fund?

____ Yes ____ No If 'No', please explain any restrictions on the gift:

If possible, please share with us additional information about your gift.

As of this date _____, the approximate value of my gift is: _____

I am attaching the relevant pages of my will or a copy of my beneficiary designation form:

____ Yes ____ No

Name and contact information of your Estate Executor/Personal Representative:

Gift acknowledgement

People who make a legacy gift to First Parish automatically become members of the Legacy Circle. We recognize Legacy Circle members by name only. We do not disclose the amount or nature of your gift. May we list your name(s) as member(s) of the Legacy Circle?

____ Yes. My/our name(s) should be listed as: _____

____ No. We will list this as an anonymous gift and will not publish your name(s).

Signatures of Legacy Gift Donor(s):

Donor Signature: _____ Date: _____

Donor Signature: _____ Date: _____

Please notify First Parish if you make future changes or adjustments to your legacy gift.

Thank you very much for your gift!

The First Parish Legacy Giving Committee