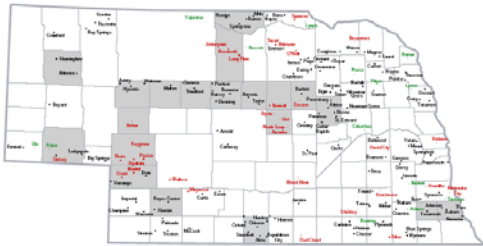


Nebraska Community Foundation Inc.

The Nebraska Community Foundation exists to help concerned individuals mobilize charitable giving to support the betterment of Nebraska communities and organizations. The Foundation is a nonprofit charitable corporation providing financial management, strategic development and education/training services to communities, organizations and donors throughout Nebraska. Started in 1993, the Foundation provides affiliated fund status (allowing communities and organizations to achieve nonprofit charitable status without forming their own nonprofit corporation) to more than 170 communities, organizations and donors.



For more information about the Nebraska Community Foundation call (402) 323-7330 or visit the website at www.nebcommfound.org.

The Single most important factor in community success is involvement of citizens in their community. Your gifts of time, talent and dollars make a difference.

Please consider what a gift from your retirement plan would do for your community and for you.



Nebraska Community Foundation
PO Box 83107
Lincoln, NE 68501-3107

Gifts of Retirement Plans

- ▶ A Gift for the Benefit of Your Hometown
- ▶ A Gift that Avoids Double Taxation
- ▶ A Gift that Benefits Your Estate & Heirs

*For the benefit of an affiliated fund of
the Nebraska Community Foundation*



Nebraska Community Foundation
Mailing Address:
PO Box 83107
Lincoln, NE 68501-3107
Phone: (402) 323-7330
Fax: (402) 323-7349
www.nebcommfound.org

Invest in Your Community...

Many Nebraskans have taken advantage of generous tax incentives provided by Congress to encourage savings for their retirement years. Known as "qualified" retirement plans, these plans, Individual Retirement Accounts (IRAs), 401(k), Keogh and others, feature income tax benefits when contributions are made to the plan. Plus, the money in the plan accumulates tax-free until it is withdrawn for retirement.

Double Taxation

If you choose up-front to not pay taxes by saving for retirement in a qualified plan, your family will be required to pay the taxes later...and quite likely in significant ways.

When your qualified plan terminates, most likely at the end of your life or that of your spouse, the plan can potentially be subject to double taxation: Estate Tax and Income Tax.

Your retirement plan could be taxed up to 63% if you don't do the proper planning!

Examples:

- ▶ A \$100,000 retirement plan in a \$1,000,000 estate (below threshold for estate taxes) creates \$38,250 in income taxes - leaving \$61,750 for the family, a 38% shrinkage.
- ▶ A \$1,000,000 retirement plan in an \$7,000,000 estate (above the threshold for estate taxes in 2011, may change in the future) creates \$625,450 in income and estate taxes netting \$374,550 for the family and resulting in a 63% shrinkage from taxes.

Given this potential "tax bite" how can you minimize or avoid this heavy taxation?

Simply leave your hometown all or a portion of your IRA or other qualified plan. Here are some ways to use your qualified plan to benefit your hometown and favorite charities, while minimizing tax consequences.

■ Beneficiary Change

Simply change the beneficiary designation on your account to the Nebraska Community Foundation for the benefit of your hometown or other favorite charities for all or a portion of the account balance. Favorable new IRS rules have made this option more attractive without increasing your required minimum annual payments at retirement.

■ Contingent Beneficiary

Naming the Nebraska Community Foundation as a contingent or secondary beneficiary for the benefit of your hometown or other favorite charities gives your heirs the option to decline their right to receive your account assets should they decide not to pay the potentially heavy taxation on the account assets.

■ Income for Family

Your retirement account's value may be preserved and income provided to your family with the use of Charitable Remainder Trust. The use of this trust could greatly reduce your federal estate taxes. Additionally, no income taxes would be payable on your retirement account assets.

■ Asset Replacement

In some situations, it may benefit your family to name the Nebraska Community Foundation as the beneficiary of your retirement plan. A newly purchased life insurance policy would replace the value of your retirement plan that would have gone to your family, without the tax consequences.

"People have plenty of opportunities to give their money away. Why not give it back to the community where you lived and made your money?"

-Frank Sibert
Honorary Board Member

More Information

Would you like to learn more about the benefits of making a gift to your hometown or favorite charities from your retirement plan?

The Nebraska Community Foundation, in accordance with its mission, would be glad to help. Please complete and return this form or contact one of the gift planners listed.

Name _____

Address _____

City _____

State _____

Zip Code _____

Daytime Phone _____

Evening Phone _____

Email _____

- Please send me a confidential explanation of how a gift from my retirement plan could be a benefit.
- I would like someone to contact me regarding a private and confidential visit about planning a gift from my retirement plan.
- In confidence, I have already included my hometown in my will.

Questions? Contact:

Jim Gustafson, Gift Planning Director

(402) 323-7341

jgustafson@nebcommfound.org

Jeff Yost, President and CEO

(402) 323-7332

jeffyost@nebcommfound.org

Please Mail or Fax to:

Nebraska Community Foundation
PO Box 83107

Lincoln, NE 68501-3107

Phone: 402-323-7330 Fax: 402-323-7349

www.nebcommfound.org