



## **Your tax-smart gift to Portland Public Library changes lives every day.**

Making an estate gift means that your passion for Portland Public Library can be carried into the future. Your gift will serve to sustain this organization and enable thousands of people to benefit and make their lives better. Thank you for making a difference.

### **Gifts by Will**

Your will is a very personal document. It designates your beneficiaries and spells out your ongoing priorities. Your will, when it is drafted by your lawyer, is hand-tailored to incorporate your decisions. A bequest in your will to Portland Public Library is exempt from the federal estate tax and the Maine estate tax. The following suggested forms of bequests are examples and can be adapted by you and your lawyer to meet your specific intentions.

#### **Specific Bequest**

“I give and bequeath to Portland Public Library, a Maine nonprofit organization, 5 Monument Square, Portland Maine, the sum of \$ \_\_\_\_\_ (or specify percentage or describe property) to be used for the general purposes of the Library.”

#### **Residuary Bequest**

“I give and bequeath to Portland Public Library, a Maine nonprofit organization, 5 Monument Square, Portland, Maine, all (or stated percentage) of the residue and remainder of my estate to be used for the general purpose of the Library (or to be used for a specific purpose such as endowment, education, etc.).”

#### **Contingent Bequest**

A contingent bequest names Portland Public Library to received part or all of your estate in the event designated beneficiaries predecease you. You might insert in your will language such as the following: “If any beneficiary named in this will is not living at my decease, then I give, devise and bequeath to Portland Public Library, a Maine nonprofit organization, 5 Monument Square, Portland, Maine, any bequest which said beneficiary would have received if he or she had survived me.”

## **Gifts by Trust**

Gifts to Portland Public Library may be included in either a lifetime or testamentary trust. A lifetime trust is sometimes referred to as a revocable, intervivos, or management trust. A testamentary trust is one incorporated in your will. The language included in either a testamentary or lifetime trust would follow the language suggested for inclusion in your will. Trusts provide flexibility to you so that you might leave the income to a named individual with the principal to Portland Public Library upon that individual's death. There are two types of irrevocable trusts which you might want to consider to benefit Portland Public Library.

### **Charitable Remainder Trust**

A Charitable Remainder Trust, which can be in the form of either a unitrust or an annuity trust, provides for the irrevocable transfer of assets to an independent trustee who pays income to you or any beneficiary you designate for life or a term of years and, upon the death of the last beneficiary, the trust principal goes to Portland Public Library. A unitrust provides that the fluctuating amounts paid during any one year to the beneficiary are a percentage of the fair market value of the unitrust assets, which by law cannot be less than 5 percent. An annuity trust provides that a fixed amount is paid annually to the beneficiary regardless of the value of the assets, but by law that amount cannot be less than 5 percent of the fair market value of the trust when it is established.

### **Charitable Lead Trust**

A Charitable Lead Trust provides income to a charity such as Portland Public Library for a fixed number of years (ten or twenty, for example) and then the principal of the trust reverts to you or your family members. Such a trust can be used to transfer income you may not need for a period of time to a charity for either its general purposes or a specific purpose, and then the principal reverts to you, or those named by you, often children or grandchildren. Under the Internal Revenue Code, there are tax advantages to the various trusts described and your legal, financial and tax advisors can assist you in maximizing those benefits.

## **Gifts by Life Insurance**

If you have a life insurance policy which you no longer require for family needs such as education, such a policy creates a charitable tax deduction for you on your federal and estate income tax returns in the year you transfer title to the policy to Portland Public Library. The amount of the deduction is roughly the cash value of the policy. Any premiums you pay on policy after transferring title to Portland Public Library qualify as a charitable deduction on your federal and state income tax returns for the year in which the premium is paid. The gift of a life insurance policy to Portland Public Library removes that policy from your estate and reduces your federal estate tax. You can consult with your insurance agent or advisor for assistance in making a gift of an insurance policy.

***Please consult with your attorney, financial advisor or insurance agent for specific details on how to leave an estate gift to Portland Public Library. Tax ID number: 01-6000802***

*Questions for PPL? Contact Zoe Alexis Scott, Director of Advancement. Call 207-771-2759 or email [scott@portlib.org](mailto:scott@portlib.org).*