WHYY

PBS npr

Beneficiary Designations

Easy Ways to Leave Your Legacy

Many don't realize that retirement plans, IRAs, life insurance, donor advised funds and commercial annuities are not affected by a will. These accounts are dispersed according to beneficiary designations. The forms are often easier to update than a will, making them simple ways to leave a legacy.

1. Retirement Plan or IRA
Typically this is the largest source of taxable income when paid to a beneficiary. If you are considering a gift, it is usually better to leave taxable assets like retirement plans to WHYY and give other assets like stocks or real estate to loved ones.

2. Life Insurance
A gift of life insurance is a good way to maximize your impact. By naming WHYY as beneficiary, your small premium payments transform into a sizable gift. Plus, it is revocable at any time if your plans change.

3. Donor Advised Funds
A donor advised fund (DAF) gives you flexibility to recommend how much and how often money is granted to WHYY and other charities. You can transfer cash or other assets to a community foundation, brokerage house or other sponsoring organization, and in return, you qualify for an income tax charitable deduction for gifts to your DAF.

4. Commercial Annuity
Annuities are tax-heavy assets. Income tax is due on the growth of the annuity—in other words, what its value is worth when you die over what you paid for it. The tax burden makes these assets another popular choice to leave to a tax-exempt organization like WHYY.

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How to Make It Happen

Making WHYY the beneficiary of your retirement plan assets, IRA, life insurance or commercial annuities is easy:

1. Contact the institution that controls the asset for a change-of-beneficiary form. Many have the forms on their website available for download.

2. Decide what amount of the account value you would like WHYY to receive, between 1-100 percent.

3. Name WHYY Inc. as the beneficiary.

4. Return or submit the form as directed by the institution.

5. Notify the beneficiaries so they can claim the proceeds at the appropriate time.

Keeping Designations Up to Date
Beneficiary designations can be modified at any time. Experts suggest reviewing them every two to three years when reviewing your overall estate plan. This way you can ensure your assets reach the intended recipient(s), even as your needs change.

Consider This Example

Jordan would like to leave WHYY a gift after passing, but would also like to leave something for a family member, Pat. Jordan is trying to decide where a $100,000 IRA should go. Naming WHYY as the beneficiary for 100 percent means we would receive the entire $100,000 to help fulfill our mission. By comparison, if Jordan leaves the IRA to Pat, a sizable amount of the IRA would be subject to income taxes.

The value of Jordan's IRA at death is $100,000.		
CHOSEN BENEFICIARY	**PAT**	**WHYY**
Federal income taxes **(assumes a 24 percent marginal income tax bracket)**	$24,000	$0
Net amount to beneficiary	$76,000	$100,000

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Next Steps

To learn more about the advantages of designating WHYY as beneficiary of your retirement plan assets, life insurance, donor advised fund or commercial annuities, or to learn more about changing your designations, please contact WHYY today.

WHYY Planned Giving Office
Phone: 215-351-2000
legacy@whyy.org
150 North 6th Street
Philadelphia, PA 19106