



LEAVE A LASTING LEGACY: MAKE A GIFT IN YOUR WILL OR ESTATE PLAN

Many of our supporters leave gifts to the San Marcos Greenbelt Alliance (SMGA) in their wills or estate plans so they can do even more to protect and preserve local green spaces for future generations. You can, too! You'll be helping SMGA continue its mission for years to come.

Address for SMGA:

San Marcos Greenbelt Alliance
107 E. Hopkins
St. Suite 121A
San Marcos, Texas 78666

Tax ID: 74-2896744

Date of Incorporation: August 13, 1998

Email: alliance@smgreenbelt.org

*Important note: The San Marcos Greenbelt Alliance **cannot** render tax or legal advice, and we urge you to consult with your tax, legal, or financial advisors about your individual situation before making any charitable gift. Rules and regulations may vary by state and may change over time.*

How It Works

1. **Designation in Your Will or Trust**

You designate a particular asset or a percentage of your estate to SMGA by including a bequest provision in your will or revocable trust. You can do this when creating your will or trust, or you can amend an existing one with a simple document. SMGA can be either a primary or a contingent beneficiary.

2. **Notification**

By informing SMGA of your commitment, you help us with long-term planning and ensure your wishes can be fulfilled—especially for gifts of real estate, business interests, or other specialized property.

3. **Tax Benefits**

Your distribution is fully deductible for federal estate tax purposes, and there is no limit

on the deduction your estate can claim. In addition, the gift is usually exempt from state inheritance taxes.

Opportunity: Beneficiary Designations

Make a tax-wise gift by using the remaining balance in your retirement plan (via your plan's successor beneficiary form, so it's not included in your taxable estate!) or by naming SMGA as a beneficiary of your life insurance policy.

Name SMGA as a Beneficiary of Your Retirement Plan

Take care of local green spaces and your heirs by making SMGA a full or partial beneficiary of your IRA, 401(k), or another qualified retirement plan. This approach may also help reduce the income and estate taxes your heirs might otherwise pay.

How It Works

1. **Beneficiary Designation**

You name SMGA as the beneficiary of a qualifying retirement plan through a beneficiary designation form, ensuring assets will not be included in your taxable estate. Some plans (e.g., 401(k)s) may require an extra step.

2. **Tax Advantages**

SMGA is a nonprofit organization, so we pay no income tax on the distribution, and the gift is not subject to estate tax. The entire amount passes to SMGA, and your heirs benefit from a reduced estate tax burden.

3. **Ongoing Flexibility**

- o Continue taking withdrawals during your lifetime.
- o Change the beneficiary designation if your circumstances change.

4. **Follow These Steps**

- o **Request a Beneficiary Form:** This form (not your will) determines how the assets are distributed after your lifetime.
 - o **List SMGA as Beneficiary:** Use our address and information (see above).
 - o **Provide SMGA With a Copy:** Share as much account information as you feel comfortable providing to help us identify and claim your gift when the time comes.
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Name SMGA as a Beneficiary of Your Life Insurance Policy

You can also help protect local green spaces by designating SMGA as a beneficiary of your life insurance policy—either as the primary beneficiary or contingent beneficiary.

How It Works

1. **Beneficiary Designation**

Provide for a future gift by naming SMGA as beneficiary of a policy insuring your life.

2. **Benefits to You**

- o Execution requires minimal paperwork.
- o Remove an asset from your potential taxable estate, potentially saving on taxes.
- o Provide a significant gift using income (premium payments) instead of capital.
- o Retain the ability to change your mind or your beneficiaries at any time.

3. **Follow These Steps**

- o **Request a Beneficiary Form** from your insurance provider.
- o **List SMGA's Name and Address** (see above).
- o **Use SMGA's Tax ID** if requested (see above).
- o **Send a Copy to SMGA** so we can correctly identify and claim your gift when the time comes.

Income for Today, a Legacy for Tomorrow: Charitable Gift Annuities

A **charitable gift annuity** with the San Marcos Greenbelt Alliance is a gift that gives back. It can provide you (and/or another beneficiary) with stable income for life, and you may also receive an immediate income tax deduction.

How It Works

1. **Funding**

You create an annuity by transferring \$10,000 or more in cash, securities, or other property to SMGA.

2. **Income Payments**

- o You (and/or up to two beneficiaries) receive **fixed annual payments for life** at an attractive rate based on the beneficiaries' age(s).
- o You may begin receiving payments immediately (if you are 60 or older) or defer payments. The older you are when payments begin, the higher your rate.

3. **Tax Benefits**

- o You get an immediate income tax deduction.
- o If you donate appreciated assets, you may save on capital gains taxes as well.

4. **Remainder to SMGA**

After the lifetime(s) of the income beneficiary(ies), the principal passes to SMGA to support its mission.

Sample Annuity Rates

(For illustration purposes only; these may vary based on IRS Discount Rates and other factors.)

Age	Rate	Annual Payment on \$10,000 Gift	Tax Deduction
60	5.2%	\$520	\$3,284
65	5.7%	\$570	\$3,409
70	6.3%	\$630	\$3,658
75	7.0%	\$700	\$4,078
80	8.1%	\$810	\$4,485
85	9.1%	\$910	\$5,260
90+	10.1%	\$1,010	\$6,133+

Note: For New York State residents, rates may differ. Contact SMGA for more information or a personalized proposal.

Deferred Gift Annuities

A **deferred gift annuity** offers the same benefits as a standard annuity—security, simplicity, and attractive income taxation—but permits higher income rates and potentially larger tax deductions because you defer payments to a future date.

How It Works

- 1. Irrevocable Transfer**
You transfer cash, securities, or other property to SMGA.
 - 2. Payment Start Date**
You choose a future date when SMGA will begin to pay you (or up to two beneficiaries) fixed annuity payments for life.
 - 3. Tax Benefits**
 - o Larger charitable deduction (the longer the deferral, the larger the deduction).
 - o May help you strategically plan for retirement or other future financial needs.
 - 4. Remainder to SMGA**
After the lifetime(s) of the beneficiaries, the remaining principal goes to SMGA.
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Charitable Remainder Unitrust

A **charitable remainder unitrust** allows you to protect local green spaces while receiving income for life or for a fixed term of years. You get an immediate tax deduction for part of your contribution and may save on capital gains tax if you donate appreciated assets.

How It Works

1. **Establish the Trust**

You fund the trust with \$50,000 or more in cash/securities (or \$100,000+ in real estate). If SMGA serves as trustee, it will manage the trust investments appropriately.

2. **Income Payments**

- o You or your beneficiaries receive payments for life (age 50 or older) or up to 20 years.
- o Payments vary based on investment performance, paid at a rate agreed upon when the trust is created (commonly at least 5%).

3. **Tax Advantages**

- o No capital gains tax at the time of transfer for donated appreciated assets.
- o Potential partial charitable income tax deduction.

4. **Remainder to SMGA**

When the trust term ends, the remaining balance passes to SMGA to support its conservation and community endeavors.

Put Stock in Nature: Donating Securities

Donating stocks or mutual funds to SMGA is a straightforward way to help preserve local green spaces while potentially saving on capital gains tax.

How It Works

1. **Transfer Appreciated Securities**

You transfer publicly traded stocks, bonds, or mutual fund shares to SMGA.

2. **Sale and Use of Proceeds**

SMGA sells the securities and uses the proceeds to support its programs.

Benefits

- Receive an immediate income tax deduction for the fair market value of the securities on the date of transfer.
- Avoid or reduce capital gains tax on appreciated securities.
- Potentially fund a charitable gift annuity or a unitrust to receive lifetime payments.

Illustration

	\$10,000 CASH GIFT	\$10,000 STOCK GIFT (Cost Basis \$5,000)
Charitable Deduction	\$10,000	\$10,000
Tax Savings @ 37%	\$3,700	\$3,700
Capital Gains Tax Saved	\$0	\$1,190
Total Tax Savings	\$3,700	\$4,890

(Assumes top income tax and capital gains brackets; actual tax results vary by individual.)

Using Your IRA to Support SMGA

If you are age 70½ or older, you can make a tax-free distribution from your traditional or Roth IRA to SMGA. This is often called a Qualified Charitable Distribution (QCD).

How It Works

- 1. Qualified Charitable Distribution**
 - o You direct distributions (up to the annual IRS limit) from your IRA to SMGA.
 - o These distributions are **not** subject to federal income tax.
- 2. Satisfies RMD (Required Minimum Distribution)**
If you're 73 or older, the gift can count toward your RMD without increasing your taxable income.
- 3. Follow These Steps**
 - o Contact your IRA custodian.
 - o Request the check be made payable to SMGA and mailed directly to our address (see above).
 - o Provide enough identifying info (e.g., your name) so SMGA can match the gift.

Gift from Your IRA: Example

Donor	Individual, age 75
Withdrawal from IRA	\$100,000
Contribution	\$100,000
Income Tax on Withdrawal	\$0
Charitable Deduction	\$0 (QCDs are not included in income, so they aren't deducted)

Note: SMGA cannot offer tax or legal advice. Please consult with your own professional advisor before making a charitable gift.

Prepared and Provided By:
San Marcos Greenbelt Alliance
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