



## Planned Giving Guide

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Our nation's future depends upon the quality education of our children. Recognizing this, local business and community leaders since 1988 have used their combined knowledge, experience and resources to create and operate the Public Education Foundation of Marion County. Through the Foundation, our community generates much needed funds to enrich and enhance the educational experiences of our teachers & students in Marion County Public Schools. Classroom grants, student scholarships, mentoring, and other innovative educational programs help ensure that academic excellence is available throughout Marion County.

Families and individuals can play an important role in support of public education. The Public Education Foundation of Marion County invites you to consider making a difference for our students.

### **Charitable Opportunities - The Choice Is Yours**

The Public Education Foundation is a 501(c)(3) non-profit (Tax ID #umber 59-2949915 and exemption certificate number 85-8012707622C-8). The Foundation strives to meet the personal preferences of our valued supporters. You may now choose the structure of your donation:

#### **Endowment Fund**

By creating an endowment fund, you enable the Public Education Foundation of Marion County to establish a permanent pool of funds that are professionally invested. While the investment remains intact, the designated school or district program is awarded the earnings for use in enhancement programs.

Endowment Funds Offer:

- Income tax savings through the charitable deduction for the value of the gift
- Avoidance of capital gains tax on contributions of appreciated long-term capital gain property with respect to certain gifts
- Retained income rights for the life of a donor and/or other beneficiary
- Elimination of federal estate tax on the value of the interest in property passing to charity upon the donors death
- Reduced estate settlement costs

## **Outright Donation**

Individuals or families may choose to make charitable donations directly to the Foundation as unrestricted gifts. These donations are applied wherever the funds are needed most, on a school-by-school basis, or as a district-wide program. The full amount of the gift is used in an outright donation.

## **How Gifts Are Made**

Charitable gifts in support of education can be made during your lifetime or at your death. Under current federal tax laws, generous tax deductions are permitted for charitable gifts. Your attorney or tax advisor can best advise you on the method most suitable for you.

## **Cash**

An outright gift of cash is deductible in the year given, for up to 50% of your adjusted gross income. Gifts in excess of the percentage limitation may be carried forward for up to 5 years.

## **Securities and Real Estate**

Donations of securities and real estate held for more than one year are deductible at the full fair market value (up to 30% of your adjusted gross income in any one year). Capital gains tax does not apply to the appreciation. Donations of securities and real estate held less than one year are deductible only to the extent of their cost basis (up to 50% of your adjusted gross income in any one year).

If you donate real estate, you may reserve the right to live in or farm the property for your lifetime or the lifetime of your beneficiaries.

## **Charitable Gift Annuity**

Charitable gift annuities enable the donor to benefit public schools while guaranteeing income for specified parties and specified lengths of time. This is achieved by donating assets to the Foundation in exchange for the Foundation's promise to pay the specified party the guaranteed income.

The annuity payments you or your beneficiary receive are treated as partial ordinary income and partial tax-free income. Your tax deduction is the difference between the fair market value of the property donated to the Foundation and the value of the annuity.

## **Charitable Remainder Trust**

You may establish a trust designed to provide income to you or one or more beneficiaries for life or a specified number of years. At termination, the trust assets are paid to the Public Education Foundation of Marion County.

If you own appreciated property and plan to sell or convert the property into an income generating asset, charitable remainder trusts may offer you beneficial tax advantages. Through a charitable remainder trust, you contribute the appreciated property to the trust. When the trustee sells the

property there is no income tax owed on the capital gain due to the trust's tax exempt status. The proceeds are then invested to provide an income to you.

## **Charitable Lead Trust**

A Charitable lead trust is similar to the charitable remainder trust, with one exception. With a charitable lead trust, the Public Education Foundation of Marion County receives income payments for a term of years or the life of the individual(s). When the trust terminates, the remaining trust assets and undistributed income revert back to you or your beneficiaries. This trust offers the donor income tax benefits during peak earning years or during a period of significant earning increases in any one year.

## **Life Insurance**

You may provide for a future gift by naming the Public Education Foundation of Marion County as a primary, co-primary or contingent beneficiary on your life insurance policy. You may also transfer ownership of a paid-in-full policy to the Foundation, or purchase a policy naming the Foundation as owner and beneficiary.

## **Wills or Living Trusts**

The gifts, annuities and trusts described above can also be made at death through a will or living trust. To be recognized appropriately, the following language must be used for the will 'or living trust to be recognized:

*I give, devise, and bequeath to the Public Education Foundation of Marion County the sum of \_\_\_\_\_ dollars (or \_\_\_\_ % of the estate, or otherwise describe the gift)."*

For more information on the Foundation and how you can help support local public education, please contact:

Public Education Foundation of Marion County  
2025 SE 73<sup>rd</sup> Loop  
Ocala, FL 34480  
352.671.4167  
[www.pefmc.org](http://www.pefmc.org)

The information contained in this document are for general educational purposes only and are not intended to be used as specific legal advice. The tax implications of any gift should be discussed with your attorney