To ensure our continued ability to protect the oldest houses in Hawai'i, preserve one-of-a-kind archives and artifact collections, and interpret these for future generations, please include the Hawaiian Mission Children's Society / Hawaiian Misison Houses Historic Site and Archives in your will.

LEAGACY SOCIETY

Hawaiian Mission Children's Society, a not-for-profit organization founded in 1852 doing business as Hawaiian Mission Houses Historic Site and Archives.

LEGACY SOCIETY

Hawaiian Mission Houses
Historic Site and Archives

What is planned giving?

Planned giving, also referred to as "deferred giving," might be most simply described as "charitable gift and estate planning." Bequests represent the most significant source of planned giving dollars for charitable institutions, although there are many other instruments. Clearly, the potential for planned gifts to help the Hawaiian Mission Children's Society / Hawaiian Mission Houses Historic Site and Archives (HMCS / HMH) and its programs is significant!

Planned gifts have become increasingly popular because they are tailored to your individual financial situation. These gifts can be funded with cash, marketable securities, mutual funds, real estate, life insurance, and retirement plans. Because planned gifts are structured around each donor's circumstances, friends often find they can do more for HMCS / HMH than they thought possible.

Tax incentives for publicly supported charities—like HMCS / HMH—are the most advantageous possible. Gifts of cash and appreciated assets may be deducted up to a portion of your gross income, with carryover for unused portions into succeeding years. Futhermore, *bequests are fully deductible* as charitable contributions.

Bequests

If you would like to make a significant gift to HMCS / HMH but are concerned you may need the assets during your lifetime, a charitable bequest allows you to make a large contribution while maintaining maximum flexibility. Charitable bequests and other estate gifts are fully tax deductible as a charitable contribution, so your estate pays no federal estate tax or state inheritance tax.

Estate gifts can be made via a bequest in your will or through a trust (increasingly, individuals are avoiding probate by establishing trusts to hold their property during their lifetime). You may also designate HMCS / HMH as the beneficiary of a life insurance policy or retirement plan. Your attorney or accountant can help design an estate plan that protects your family, preserves your property, and also benefits HMCS / HMH. Bequests can be a percentage of the estate, a dollar amount, specific property, or the remainder of the estate after gifts to other beneficiaries.

SIMPLE BEQUEST IN WILL

I hereby give, devise, and bequeath to the Hawaiian Mission Children's Society ________ percent of my net residuary estate (or the sum of $ ___________ or the following described property, or the rest and residue of my estate after payment of the foregoing bequests.)

SUGGESTED FORM OF CODICIL TO A WILL

I, ____________________ , a resident of ________ , _______, declare this to be a codicil to the Last Will executed by me on _______, 20__, this codicil being as follows: I hereby give, devise, and bequeath to the Hawaiian Mission Children's Society____ percent of my net residuary estate (or the sum of $____ or the following described property, or the rest and residue of my estate after payment of the foregoing bequests).

Except insofar as said Will is expressly or by necessary implication changed by this codicil, I do hereby ratify, republish, and reaffirm my said Will and each and every part thereof.

If you already have a will, you can simply add a codicil (addendum). This must be executed with the same formalities as a will.

Retirement Plan Assets

While any asset is appropriate for funding a bequest, retirement plan assets should always be considered first. Funding a charitable bequest with a qualified retirement plan—like a traditional IRA or 401(k) plan—is particularly appealing because both income and estate taxes are avoided, making this a very "tax-wise" gift. Savings bonds and deferred compensation are both doubly taxed at death (both income and estate tax is due), creating a tax burden for your heirs.

Life Insurance

You may have paid-up insurance policies you no longer need. Donating these policies to HMCS / HMH results in a current income tax deduction and converts an asset that is no longer needed into a significant gift. You can also name HMCS / HMH as the partial or sole beneficiary of an insurance policy. Another method is to purchase an insurance policy solely for the purpose of making a deferred gift. The policy is written with HMCS / HMH as the beneficiary. HMCS / HMH holds the policy and makes annual premium payments funded by an annual gift from you. You get a tax deduction for the amount of the annual premium. This method is a good one if you may not otherwise be capable of making a significant planned giving gift. However, these gifts are not designed to take the place of your annual unrestricted gift to HMCS / HMH. Annual fund gifts are used for the annual operating budget, whereas Legacy Society gifts are designed to help HMCS / HMH in perpetuity.

Gifts with a Retained Income

You may want to make a meaningful gift to HMCS / HMH but do not wish to relinquish the income generated by the gift asset. If this describes your circumstance, you should consider a life income gift. There are methods of making a current gift to HMCS / HMH while retaining an income for your life, and, if desired, for the additional life of a spouse or other beneficiary. Depending on your choice of gift asset and the method selected, you can generally expect to obtain some or all of the following benefits:

- Retained income for life, and, if desired, the life of your spouse or other beneficiary.
- The possibility of an increased rate of return on the gift assets.
- A charitable income tax deduction.
- Avoidance of capital gains tax.
- Removal of the gift property from your taxable estate.
- Reduced estate settlement costs.

Individual Charitable Trusts

For larger contributions you may find an individual charitable trust appealing. HMCS / HMH will accept a trust in the amount of $50,000 or more. These trusts are extremely flexible and can be structured to pay either a variable income with growth potential or a fixed income that will not change. You can determine the trust income or "payout" rate within certain limitations. (Practically speaking, most trusts set payouts ranging from 5% to 7%.) Trusts can be funded with cash, marketable securities, and even real estate. Charitable trusts are very attractive when funded with highly appreciated assets like stock and real estate because capital gains tax is avoided.

Here's how a charitable trust works

You have a special interest in HMCS / HMH. In addition to your annual gifts to HMCS / HMH you would like to give something to help HMCS in perpetuity. You have decided to create a charitable remainder trust with a gift of $100,000 of appreciated stock for which you originally paid $10,000 many years ago. The trust will pay you an income of, say, $6,000 each year, far more than the 2% dividend you are currently receiving on the stock. You will also avoid any capital gains tax on the $90,000 of appreciation in the securities funding the trust. Furthermore, you will be entitled to a charitable income tax deduction in the year of the gift. (The exact amount of the deduction varies as tax laws change.)

HMCS / HMH does not provide legal or tax advisory services, and we suggest that you consult with a financial advisor or legal counsel when making a planned gift.

HMCS / HMH • 553 S. King Street, Honolulu, Hawai'i 96813 -3002 • Telephone: 808-447-3910 • Facsimile: 808-545-2280 • www.missionhouses.org • info@missionhouses.org

I want to help secure the financial future for Hawaiin Mission Children's Society/ Hawaiian Mission Houses Historic Site and Archives—but how do I begin?

It's important for you to know that although you are not required to notify HMCS / HMH when you include us in your will, bequests of $10,000 or more enable you to become a member of the Legacy Society and be included in the *Maile Wreath*. If you wish, your donation will remain anonymous.

If you are considering making a planned gift to HMCS / HMH or have already done so, please complete the following information. We will be in touch with you to discuss your goals.

Please mail or fax a copy of this form to:
Hawaiian Mission Children's Society
Hawaiian Mission Houses
553 South King Street
Honolulu HI 96813-3002

Name ______________________________

Address ______________________________

City ____________ State ____________ Zip ____________

Telephone ____________ Email ____________

☐ I am considering making a planned gift to the Hawaiian Mission Children's Society / Hawaiian Mission Houses.

☐ I have already included HMCS / HMH in my estate planning in the amount of $10,000 or more
________________ and *wish to be included* on the roster for the Legacy Society.
Please list amount (optional)

☐ I have already included HMCS / HMH in my estate planning in the amount of $10,000 or more,
________________ but *do not wish* to be named in the Legacy Society.
Please list amount (optional)

☐ I have already included HMCS / HMH in my estate planning in an amount less than $10,000.