LEAVING YOUR LEGACY:
THE BLACK HILLS WORKS FOUNDATION GUIDE TO PLANNED GIVING

GIVE WITH PURPOSE.
Disclaimer: The Black Hills Works Foundation and Black Hills Works do not make any representations regarding anyone’s particular estate planning needs. Planned giving, including but not limited to estate planning, is complex. State and federal laws are implicated, can be unique to a state, and may change. Although every effort has been made to ensure the accuracy of this guide and related representations, Black Hills Works or the Black Hills Works Foundation and its representatives are not attorneys or tax professionals and expressly do not assume responsibility for any individual’s reliance on the information presented. Before an individual does any planning, the individual should consult with his/her own attorney and tax advisor.
Dear Friends,

Each and every day, I have the privilege of seeing lives transformed. Through this work, we help more than 600 adults with intellectual and developmental disabilities be good neighbors, valued friends, productive workers, respected leaders and caring volunteers.

With this guide, “Leaving Your Legacy: The Black Hills Works Foundation Guide to Planned Giving,” I am inviting you to join with us as we change the lives of those we support by leaving a lasting legacy.

Planned giving options can be confusing, and planning for a family member with a disability adds additional complexities. This guide will offer an overview of several options for providing for yourself, your family, and your favorite charities during your lifetime and as part of your estate.

Every donation to the Black Hills Works Foundation has a direct impact on Black Hills Works, helping us provide quality services to each person we have the privilege to serve. Individuals who have included the Black Hills Works Foundation in their legacy plan also join our Legacy Society. We will host periodic gatherings with Legacy Society members along with other benefits in recognition of their commitment to sharing their life rewards.

I am inspired by the perseverance of the people we support as they break down barriers and achieve their dreams. Thank you for joining me in celebrating and supporting their accomplishments. Together, we can change lives.

Sincerely,

Andrea D.M. Serna
President
Black Hills Works Foundation

“I am inspired by the perseverance of the people we support as they break down barriers and achieve their dreams.”
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OUR HISTORY: For more than 61 years, Black Hills Works has been serving the Rapid City, South Dakota area. Today, Black Hills Works supports more than 600 adults with disabilities – people in our community that have intellectual or developmental disabilities, visual and hearing impairments, brain injuries and chronic illnesses, physical challenges and more.

OUR MISSION: Creating a community where everyone participates to achieve a life of full potential.

OUR VISION: A community where all people are good neighbors, valued friends, productive workers, respected leaders, and caring volunteers.

OUR SERVICES: Black Hills Works provides quality services and supports to people with disabilities so they can work towards reaching their potential. We work to develop options for each person, to meet their individualized needs and choices. The support we offer people with disabilities spans six areas of impact, including Home Life, Workforce Development, Specialty Services, Community Life, Arts Expression, and Transportation.

YOUR LEGACY: The Black Hills Works Foundation invites you to become an integral part of the future of Black Hills Works through a planned gift. Planned giving includes contributing now through noncash avenues, such as real estate and stock, or preparing for future giving. This guide provides an overview of several planned giving options.

OUR THANKS: The Black Hills Works Foundation Legacy Society, which includes the “Ep Howe Family of Friends,” is a distinguished group of individuals who have included Black Hills Works Foundation in their estate plan. The Foundation will be arranging dinners and other events for Legacy Society members to show our appreciation and provide valuable networking opportunities. If you have included Black Hills Works Foundation as part of your estate plan, please let us know so that we may properly acknowledge you. If you wish, your information will be kept in strict confidence.
Planned giving, and especially estate planning, can be complex for individuals with disabilities and their families, due to the structure of government benefit programs.

People with disabilities and their families often depend on public benefit programs for their housing, healthcare, and income. Individuals with disabilities who want to build a savings, or families who want to provide for them, face risking ineligibility for life-sustaining benefits. As discussed in more detail below, ABLE Accounts and special needs trusts are important tools that allow individuals with disabilities and their families greater independence and assurance that needs are met without risking public supports. Guardianship, also discussed below, is another important consideration when planning for a family member with a disability.

ABLE ACCOUNTS | People eligible for Supplemental Security Income (SSI) are limited to just $2,000 in personal assets. Until recently, SSI-eligible individuals with disabilities faced a difficult choice: Save for the future or forgo income to remain eligible for public benefits. In 2014, Congress passed the Achieving a Better Life Experience (ABLE) Act that allows an individual with an ABLE Account to save up to $15,000 per calendar year for “qualified disability expenses.” States administer ABLE accounts and set the maximum amount that can be held in an ABLE Account, ranging from $100,000 to $529,000 depending on the state where the fund is managed. For more information on eligibility, what qualifies as a “disability expense,” and other questions, individuals with disabilities and their families are encouraged to speak to an experienced financial planner.

SPECIAL NEEDS TRUSTS | Special Needs Trusts are an important planning tool for some families who are seeking ways to provide for their family members with disabilities. Special Needs Trusts are funded with assets as you direct either during your lifetime or upon your passing for the benefit of your family member. The trustee you designate, especially for trusts created upon your passing, is an important decision. A trustee should be someone willing to serve, has the competency to meet all the financial and legal requirements associated with managing the trust, and who will act in the best interest of the beneficiary. Families often rely on professional or corporate trustees.

SUCCESSOR OR CO-GUARDIANS | Guardians, often family members, are court-appointed to help individuals with intellectual disabilities who need assistance managing financial and life decisions. Successor guardians are alternate guardians that can step in when the primary guardian is unable to serve due to incapacity or death. Successor guardians, which can be named in a will, help ensure that the individual’s best interests are represented without interruption. Joint guardians, two people appointed as guardians, offer similar protection. Individuals with disabilities and their families are encouraged to speak to an attorney about the need for guardianship, and, when needed, how to ensure uninterrupted representation.
MAKING YOUR IMPACT: A GUIDE TO PLANNED GIVING

TYPES OF PLANNED GIFTS

WILL BEQUESTS | A will bequest (instructions in your will) is the most common type of planned gift. In fact, 90% of planned gifts are will bequests. It’s easy to do and costs nothing during your lifetime. Your assets remain in your control until your passing and you can modify your will at any time if your circumstances change.

Your bequest can be for a specific amount, for a percentage of your estate, or for a percentage of the remainder (“residual”) of your estate. You can also specify that a named charity only receive a bequest if there are no surviving family members and any other designations you want to provide for first. Sample bequest language is included on page 10 of this guide.

APPRECIATED STOCKS | Giving appreciated stock typically allows you to take a charitable deduction for the current value of the stock and also avoid the capital gains tax that you would incur if you sold the stock. To donate stock to the Black Hills Works Foundation, contact your stock broker or the Foundation.

LIFE INSURANCE | Naming the Black Hills Works Foundation as a beneficiary on your life insurance policy is another way to benefit the Black Hills Works Foundation. Individuals can also transfer ownership of an existing policy that is either fully or partially paid to the Foundation and receive a tax deduction for the face value of the policy and for any future premiums.

INDIVIDUAL RETIREMENT ACCOUNT (IRA) DISTRIBUTION

Did you know that the IRS requires that minimum distributions (RMDs) be taken each year from your Individual Retirement Account beginning with the year you turn age 70 ½? The RMD for each year is calculated by dividing the IRA account balance as of December 31 of the prior year by the applicable distribution period or life expectancy. This rule does not apply to your Roth IRAs. A qualified charitable distribution can satisfy all or part of the RMD distribution if paid directly from the IRA to the Black Hills Works Foundation.
REAL ESTATE  | Donating real estate during your lifetime removes from you the burden of managing it, and can provide significant cash benefits. If the real estate has appreciated in value, you may qualify for a charitable deduction equal to the current value of the property, while also avoiding capital gains tax.

Another option involving real estate is to make a “Retained Life Estate” gift. In this situation, you donate the deed to a home, farm or other property to Black Hills Works, with the agreement you can continue to live in the house.

CHARITABLE LEAD TRUST  | A Charitable Lead Trust is a trust arrangement that pays an annual income to the Black Hills Works Foundation over a designated period of years, or upon your passing. At the end of the term, the principal reverts back to you or your family. A Charitable Lead Trust is a nice option for individuals who want to benefit a nonprofit, but for whom their family is a priority upon their passing. This method of giving also helps to reduce taxes on the donor’s estate.

CHARITABLE GIFT ANNUITY  | A Charitable Gift Annuity begins with a tax-deductible gift of assets to the Black Hills Works Foundation with the agreement that you or your designee(s) receive a fixed income stream for life (a portion of which may be tax-free). Upon your passing, or your spouse’s passing, the Black Hills Works Foundation receives the remainder of the gift. The donor will receive a partial tax deduction for the charitable donation.

CHARITABLE REMAINDER TRUST  | There are two types of Charitable Remainder Trusts; both involve the donation of assets into an irrevocable trust with instructions to pay the donor a defined income stream for a period of years, with one or more charities receiving the remainder of the donated assets. A Charitable Remainder Annuity Trust does not allow for additional contributions and distributes a fixed annuity amount each year. A Charitable Remainder Unitrust does allow additional contributions and distributes fixed percentage based on the value of the trust of assets.
The following sample language is offered to illustrate the various ways individuals can include the Black Hills Works Foundation in their will. Individuals are encouraged to consult with an attorney when making or changing their will.

**SPECIFIC BEQUEST:** I give, devise and bequeath _______________ (insert dollar amount or item of property to be donated or percentage of estate) to the Black Hills Works Foundation, or its successor organization, a nonprofit corporation located at 514 Mt. Rushmore Road in Rapid City, SD 57701, Federal Tax ID (EIN) #46-0363653, to be used in support of the organization’s mission on behalf of people with disabilities.

**RESIDUARY BEQUEST:** I give, devise and bequeath _______________ (insert % amount) of all the rest, residue and remainder of my estate to the Black Hills Works Foundation, or its successor organization, a nonprofit corporation located at 514 Mt. Rushmore Road in Rapid City, SD 57701, Federal Tax ID (EIN) #46-0363653, to be used in support of the organization’s mission on behalf of people with disabilities.

**CONTINGENCY GIFT:** (Takes effect only if a primary intention can’t be met) If [name of beneficiary(ies)] does not survive me, or shall die during the administration of my estate, or as a result of a common disaster, then I give to the Black Hills Works Foundation, or its successor organization, a nonprofit corporation located at 514 Mt. Rushmore Road in Rapid City, SD 57701, Federal Tax ID (EIN) #46-0363653, all of the rest, residue, and remainder of my estate to be used in support of the organization’s mission on behalf of people with disabilities.
25 ESTATE DOCUMENTS YOU NEED TO HAVE READY

THE ESSENTIALS
- Will
- Letter of Instruction
- Trust Documents
- Financial Power of Attorney
- Military Documents (DD214)

MARRIAGE & DIVORCE
- Marriage License
- Divorce Papers

PROOF OF OWNERSHIP
- Housing, Land, & Cemetery Deeds
- Escrow Mortgage Accounts
- Proof of Loans Made & Debts Owed
- Vehicle Titles
- Stock Certificates, Savings Bonds, & Brokerage Accounts
- Partnership & Corporate Operating Agreements
- Tax Returns

HEALTH-CARE CONFIDENTIAL
- Personal & Family History
- Durable Health-Care Power of Attorney
- Authorization to Release Health-Care Information
- Living Will
- Do-Not-Resuscitate Order

LIFE INSURANCE & RETIREMENT
- Life-Insurance Policies
- Individual Retirement Accounts
- 401(k) Accounts
- Pension Documents
- Annuity Contracts

BANK ACCOUNTS / SOCIAL MEDIA
- List of Bank Accounts
- List of all User Names & Passwords
- List of Safe-Deposit Boxes

Source: PlannedGiving.com (from Saabria Chaudhuri’s 7/2/2011 Wall Street Journal article) (reprinted with permission).