



Heritage Circle

American Academy of Pediatric Dentistry Foundation





Very often, when we think of charitable giving we think only in terms of an outright gift of cash. However, planning for the future now entails many vehicles ranging from bequests, to deferred gifts that pay you benefits today, to trusts that assist the Foundation now while helping you and your heirs in the future. These gifts can be designed to meet the needs and desires of each donor. By helping to secure the Foundation's future and the specialty of pediatric dentistry through a planned gift, you establish a legacy of giving.

The information in this brochure details the many benefits that various charitable financial planning vehicles can offer in structuring a planned gift to benefit the Foundation and minimize your federal tax liability. You should always consult your legal and financial advisors on tax-related matters affecting your specific situation. We welcome the opportunity to supply you with additional information about any of these methods of giving and to discuss with you and your advisors how you might consider making your planned gift to the AAPD Foundation. Invest in the future of the AAPD Foundation by joining the Heritage Circle, the AAPD Foundation's Planned Giving Program.

What is the Heritage Circle?

The AAPD Foundation Heritage Circle is a giving program designed to recognize individuals who have chosen to support the AAPD Foundation through a planned gift.

Benefits of the Heritage Circle include:

- Acknowledgment in the Foundation's donor listings and Annual Report.
- Lifetime Heritage Circle recognition.
- Invitations to exclusive events held during the AAPD Annual Session.
- Presentation of a recognition pin and ribbon at the Annual Session.

What are the benefits of planned gifts?

When you make a planned gift, you achieve the personal and spiritual sense of fulfillment that comes from helping others. Planned gifts offer many of the same benefits that an outright gift to a charity provides, such as:

- Charitable tax deduction;
- Avoidance of capital gains tax on appreciated property, securities and collectibles;
- Removal of assets from potential estate taxation;
- Control of where the estate's "social capital" is used;
- Personal satisfaction in supporting a worthy cause; and
- Recognition for your charitable support while living.

These benefits are possible because the AAPD Foundation is a 501(c)(3) organization. It enjoys this federal tax-exempt status by using its resources to support charitable activities that benefit the public good.

Planned gifts help you:

- Perpetuate your personal philanthropic values.
- Leave a lasting and meaningful legacy.
- Receive financial or extra tax benefits while supporting the AAPD Foundation.
- Give simply by including the AAPD Foundation in your estate plan.
- In some cases, give more than you thought possible.

To learn more about the many types of planned gifts and the benefits they can return to you or your family, please review the following options:

Wills and Bequests

Making a bequest through your will is one of the easiest ways to remember loved ones and the organizations you care about the most.

Charitable Gift Annuities

Looking for a fixed life income with no market risk? A charitable gift annuity may be the answer. A charitable gift annuity is a contract whereby the donor transfers property (cash or publicly traded securities) to the AAPD Foundation in exchange for fixed payments for life for themselves or a third party. This type of gift is used by donors who want to make a meaningful commitment to the AAPD Foundation, but who also want to make sure they have enough funds for their own financial security.

Living Trusts

A living trust is an excellent way to plan your estate in place of a will. There are many advantages. Your estate avoids probate and your assets pass anonymously, unlike with a will. When you make a provision for the AAPD Foundation in your living trust you can simply and quietly leave a legacy. Gifts through a trust can be made, like through a will, in a fixed amount, as a percentage of your estate, or as a residue after gifts to loved ones.

Gifts of Securities

Appreciated securities are an excellent way to give to the AAPD Foundation. Through a precise process, you may transfer shares to the Foundation. This may allow you to bypass capital gains tax and increase your charitable deduction. It is important to follow the process exactly, so please contact us and your financial professional for further information. Shares of C, S and limited liability corporations can also be donated through a trust at a considerable tax advantage. Finally, depreciated securities can be sold and the proceeds donated. The donor is entitled to a tax deduction for both the capital loss and a charitable deduction for the donated proceeds.

Charitable Remainder Trusts

You can increase your retirement income and reduce capital gains tax by transferring appreciated assets to a charitable remainder trust. The trust is established when you place cash, appreciated securities, real property, or other assets in the trust. Depending upon how you fund the trust, you may receive additional tax advantages such as avoiding capital gains tax on the sale of appreciated assets. The trust normally generates lifetime income for you or others. The remainder comes to the AAPD Foundation after the donor's lifetime. A charitable remainder unitrust pays you a variable income. An annuity trust pays you a fixed income. A charitable remainder trust is an excellent way to make a significant gift to the AAPD Foundation during your life - it reduces taxes and you receive a new stream of income.

Charitable Lead Trusts

If you want to use assets to make a gift to the AAPD Foundation and retain the asset to pass on to heirs, consider a lead remainder or annuity trust. When you place assets in the trust, you provide immediate support for the Foundation and may generate a tax savings, but your heirs will ultimately receive the appreciated assets. This is essentially the reverse of a remainder trust.

Life Insurance

Life insurance policies that are no longer needed make excellent gifts to the AAPD Foundation. You can simply name the Foundation as the primary beneficiary of the policy. Your charitable deduction depends on the status of the policy, whether it is paid in full or if premiums are still due. A gift of life insurance can be an easy way to provide meaningful support. Life insurance coupled with a charitable remainder trust creates a wealth replacement trust; yet another way to avoid estate tax, help the Foundation and pass assets to your heirs.

Retirement Assets

Making a gift of a retirement plan – such as a 401k, 403b, IRA, or Keogh plan – is becoming a popular way to make a charitable gift. When arranged properly, a gift of a retirement plan may help you or your estate avoid taxes while you help the AAPD Foundation.

Gifts of Real Estate

Real estate may also be donated to the AAPD Foundation. It can either be donated outright or arrangements can be made for a deferred gift, allowing the donors use of the property for their lifetimes. Both approaches have tax advantages.

Donor-Advised Funds

Donor-advised funds have become a popular way to contribute to charitable organizations and maintain a continuing active role in how contributions are used.

A donor-advised fund is a specially segregated donation to the Foundation. The fund is established and monies distributed based on the donor's wishes. While the Foundation's Board of Trustees maintains ultimate control over a donor-advised fund due to legal requirements, a donor who establishes such a fund has a substantial advisory role in what projects are funded. Funds are not subject to the annual excise tax on investment income.

To support the Foundation with a planned gift and become a member of the Heritage Circle or for further information, please complete and return the attached form.

Heritage Circle Form

Name

Address

City/State/Zip or Postal Code

Phone/Fax

E-mail

I have made a planned gift to the AAPD Foundation.

Please indicate type:

- Will/Bequest
- Charitable Gift Annuity
- Living Trust
- Gift of Securities
- Charitable Remainder Trust
- Charitable Lead Trust
- Life Insurance
- Retirement Assets
- Gift of Real Estate
- Donor-Advised Fund

I would like more information on planned giving. Please contact me.

For specific legal questions, we urge you to talk with your attorney or financial advisor. If you do not have an advisor, we would be pleased to refer you to one.

Please mail completed form to:

AAPD Foundation Heritage Circle
211 East Chicago Avenue, Suite 700
Chicago, IL 60611-2663



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The three leaves of the Heritage Circle logo represent the past, present, and future of the AAPD, its Foundation, and the specialty of pediatric dentistry. By leaving a gift for the future, we help preserve the heritage that we have collectively inherited. We are also reminded that we have an obligation to nurture what we have received and pass it on to those who will come after us.



www.aapdfoundation.org