## Retirement Plan Beneficiary Letter To Donor

**[Month, Day, Year]**

Dear **[NAME,]**

**Do you have a retirement account? Smart move!**Many people wisely take advantage of tax incentives to contribute to IRAs, 401(k)s, and similar plans. These funds are often an individual’s largest asset. If you, too, are the owner of a large retirement plan, you need to know that there are significant tax advantages to making charitable gifts with retirement plan assets

The IRS regards any remaining balance left in your retirement account to be untaxed income. That means if you bequeath that balance to your heirs, the IRS will subject it to *both* income and estate tax. This **potential double taxation** **can consume as much as 60%** **of the value of your account for very large estates**. However, even if your estate is not large, there are still significant tax advantages to making charitable gifts with retirement plan assets.

You have options to reduce this potential tax hit without depriving your loved ones.  You can create a meaningful legacy at **[Your Favorite Charity]** by naming usas the beneficiary of your retirement plan – and then use other tax-advantaged assets to make gifts to children, family, and friends. As a nonprofit organization, **[Your Favorite Charity]** won’t pay income tax on the distribution (nor will the plan balance be included in your taxable estate). Your heirs will receive more of your estate because the tax-advantaged assets you leave to them will not be subject to income or estate taxes.

Learn more by returning the enclosed reply card to receive our **free brochure that explains how a gift of retirement assets might benefit you, your family, and [Your Favorite Charity]**. Of course, you should share this information with your tax or legal advisor.

Please contact me at **[email]** or **[phone number]** for a confidential, informative conversation at any time. I’d be happy to explore the possibilities with you.

Sincerely,

**[Officer**

**Favorite Charity]**