

PLANNED GIVING A WAY TO HELP CWA AND YOUR HEIRS – BRILLIANT!

by **HOLLY A. HEYSER**, EDITOR

John Simmons used to support California Waterfowl in the same ways that so many duck hunters do: going to dinners, sending in donations with duck stamp orders and occasionally just cutting a check.

“I went along with that for quite a while,” said Simmons, 82, who lives and works in Davis.

But in 2011, after a successful five-decade career in real estate, Simmons was ready to do more, and he wanted just one thing in exchange: a meaningful tax write-off.

All donations to California Waterfowl are tax-deductible, but Simmons decided to do something big that helped him and CWA now, and his heirs in the future: a charitable lead trust.

This type of trust is complicated, and according to the legal website Nolo, it usually becomes worthwhile only if the donor has at least \$1 million to put into it permanently, knowing he can never get that money back. But when tax conditions are favorable, as they have been for the past few years, it’s a powerful tool for giving to both charity and one’s heirs.

Here’s how it works: The donor establishes a trust and commits to give a set dollar amount or percentage of its value to charity over a set time, either a number of years or the duration of someone’s lifetime. In Simmons’ case, he put a duplex in a trust, and California Waterfowl gets quarterly payments of \$5,250 from the trust for as long as he lives.

The way Simmons set up his trust, he gets an income tax deduction for the contributions up front, and when he dies,




his heirs take possession of the property, and they should pay little or no taxes on the remaining assets they receive.

That benefit is determined by a so-called “hurdle rate” set by the IRS: Any appreciation in the value of the trust beyond the hurdle rate when the trust is established will not be subject to estate tax. For the past few years, the hurdle rate has hovered at very favorable 1 percent to 2 percent.

When the hurdle rate is high, there is more risk that heirs’ inheritance will be taxable, but the current low hurdle rate sharply limits that risk.

For Simmons, this option was perfect: It was a tax benefit for him now, and a way to support an organization that works with youth.

“I like the fact that CWA takes an interest in kids, because that’s our future,” he said. 



PASS IT ON

Join California Waterfowl’s
Heritage Fund.



Alex Gonsalves knows it takes a lot to get a kid started hunting. His legacy gift will help ensure the hunting heritage is passed on for generations to come.

**For More
Information Contact:**

**Katie McCarty,
Development Specialist
(916) 648-1406 ext. 110**

1346 Blue Oaks Blvd.
Roseville, CA 95678
www.calwaterfowl.org