Planning for Your Charitable Legacy
Getting Started

A well-executed estate plan, first and foremost, helps ensure that you have provided for the well-being of your loved ones. It may also reduce taxes and probate costs, so that more of the fruit of your life’s labor goes where you want it to go, as opposed to leaving it to the government in the form of taxes. While your estate plan is typically comprised of various complex legal documents, it can also serve as a final message that reflects your personal values and leaves a lasting legacy by which your family and community will remember you.

Your donor-advised fund account has been designed to make it easy for you, should you choose, to enable those you care about most to continue to recommend grants to charities in your memory. Many donors take great comfort in knowing that the contributions they make to their donor-advised fund account may some day allow a surviving spouse, child, close friend or other family member to make grant requests to charities they value. In doing so, you can easily pass your commitment to philanthropy on to the next generation in a flexible way, continuing the tradition of giving that encourages a similar level of charitable engagement that you have demonstrated, by example, during your lifetime.

Building a Charitable Legacy

In addition to donations that you make to your donor-advised fund account during your lifetime, this brochure presents several tax-advantaged ways to add to your account upon your death. We strongly recommend that you work with your tax and estate planning advisors to create a plan that is right for you, complies with Federal and State law, and fully considers the income, estate and gift tax consequences of the plan.

The following strategies and examples are not intended to be legal advice or verbatim language to be incorporated into your planning documents. Rather, we provide this information to assist you in working with your attorney or advisor in order to craft a plan that is specific to your situation and to your goals.

Enrolling in the Schwab Charitable Legacy Program

Either by selecting the option in our New Account Application for new donors or by using the necessary fields in the Update Form for existing donors, you can designate family members or charitable beneficiaries to carry on your legacy of philanthropy beyond your lifetime.

Under the Schwab Charitable Legacy Program, as many as six charitable organizations can be recommended as grant recipients by the donor, each to receive a percentage of the remaining donor-advised fund account balance periodically. Recurring grant requests can be made to your favorite charities for five years or more.

Additional Features include:

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<tr>
<th>Feature</th>
<th>Details</th>
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<tbody>
<tr>
<td>Account minimum at activation</td>
<td>• $100,000 for standard donor-advised fund account</td>
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<tr>
<td></td>
<td>• $250,000 for professionally-managed account*</td>
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<tr>
<td>Minimum annual distribution</td>
<td>5% of account balance</td>
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<td>Minimum term</td>
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<td>• Will terminate with lump-sum grants if balance falls below $5,000</td>
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* Professionally-managed accounts are available only through independent investment advisors working with Schwab Advisor Services™, a business segment of The Charles Schwab Corporation serving independent investment advisors and including the custody, trading and support services of Charles Schwab & Co., Inc. Although donors may recommend an advisor, Schwab Charitable Fund must approve the recommendation. Advisors must meet certain eligibility requirements and adhere to Fund fee and investment guidelines. You may request a copy of the investment guidelines by calling (800) 746-6216.
Designating Your Donor-Advised Fund Account as a Beneficiary of Your Retirement Plan

Your retirement plan is designed to benefit you during your post-employment years. However, you may name beneficiaries for your plan in case you pass away with funds still in your account. Along with family, relatives and friends, charitable organizations, including donor-advised funds, generally may also be named as the primary or contingent beneficiary.

Retirement fund assets can be particularly tax-efficient as charitable gifts. Distributions from most retirement plans are typically subject to income tax. Charitable organizations, like Schwab Charitable, are tax-exempt, so the full amount of your gift will be distributed to your donor-advised fund account with no income tax payable. Importantly, retirement assets left to charity also avoid estate taxation. This is one of the very few techniques available for removing retirement assets from your taxable estate.

Naming or changing your beneficiary(ies) is easy. Simply contact your plan administrator, confirm that a charitable organization may be named as a beneficiary of the plan and request, complete and submit a beneficiary form. The legal information you need to include on that form can be found on the back of this brochure.

Designating Your Donor-Advised Fund Account as a Beneficiary of Your Will or Revocable Living Trust(s)

There are several types of bequests that allow you to designate how your estate will be distributed.

- **Specific Bequest:** You describe the specific property that you want to leave to a specific individual or organization (and, if applicable, the designated source from which the bequest should be made). If you want to leave a specific dollar amount or particular items (such as stocks or bonds, land, or jewelry, artwork or other tangible personal property), this is the type of bequest that you would use.

  Example: “I leave my diamond engagement ring to my granddaughter, Sarah. I also leave my securities to my donor-advised fund account with Schwab Charitable, San Francisco, California, and to be granted according to recommendations provided by the successor donor-advisor(s) or the donor(s), as identified on the donor-advised fund account paperwork.”

- **General Bequest:** This type of bequest is usually a gift of a stated amount of money that does not specify the source from which it should be paid. This gives your executor or trustee the flexibility to honor the bequest from any available source.

  Example: “I leave $50,000 to my donor-advised fund account with Schwab Charitable, San Francisco, California, to be granted according to recommendations provided by the successor donor-advisor(s) or the donor(s), as identified on the donor-advised fund account paperwork.”

- **Residuary Bequest:** This type of bequest is honored after all other bequests have been satisfied, and all debts, expenses and taxes have been paid. This bequest may be all or part of the balance of your estate.

  Example: “I give all (or ____%) of the rest, residue and remainder of my estate to my donor-advised fund account with Schwab Charitable, San Francisco, California, to be granted according to recommendations provided by the successor donor-advisor(s) or the donor(s), as identified on the donor-advised fund account paperwork.”

- **Contingent Bequest:** This type of bequest is fulfilled if certain conditions are met. For instance, if your primary beneficiary does not survive you, you can indicate your next choice through a contingent designation.

  Example: “I give all the rest, residue and remainder of my real and personal estate to my husband, John, if he survives me; if not, then 75 percent in equal shares to my children who survive me and 25 percent to my donor-advised fund account with Schwab Charitable, San Francisco, California, to be granted according to recommendations provided by the successor donor-advisor(s) or the donor(s), as identified on the donor-advised fund account paperwork.”

Designating Your Donor-Advised Fund Account as a Beneficiary of Your Charitable Remainder Trust(s)

Charitable Remainder Trusts can provide you, or other beneficiaries you name, with income for the life or lives of the specified beneficiaries (or a fixed term of years), with the remainder being distributed to a charitable beneficiary at the termination of the trust. Once created, a Charitable Remainder Trust is irrevocable and you should discuss with your attorney and accountant the requirements to qualify your gifts to it for beneficial

† All recommendations of charitable beneficiaries are subject to approval of the Fund, in its sole discretion, at the time the grant would otherwise take effect.
Life Insurance and Donor-Advised Fund Accounts

You may designate your donor-advised fund account as the beneficiary of a life insurance policy or you may make a gift of the policy itself.

You can name your donor-advised fund account as primary beneficiary of your life insurance policy or as contingent beneficiary should your other beneficiaries not survive you. After your lifetime, the benefits from your policy pass to your account free of federal estate tax.

You can donate your life insurance policy during your lifetime by irrevocably assigning ownership and beneficiary designation to your donor-advised fund account. Schwab Charitable will surrender the policy in order to receive the policy’s current cash value.

The legal information you need to complete life insurance paperwork appears on the back of this brochure. In order to fund a donor-advised fund account with a life insurance policy or proceeds thereof, simply contact your insurance carrier to request a beneficiary form and/or an assignment of ownership form.

If you are considering life insurance for funding an account, please call us at 800-746-6216.

We welcome the opportunity to discuss how your donor-advised fund account may be incorporated into your financial, estate or charitable legacy planning.

Please call us at 800-746-6216 or send an email to: ask@schwabcharitable.org

Schwab Charitable does not render specific, individualized legal or tax advice. Where such advice is necessary or appropriate please consult with a qualified attorney or tax advisor.

Schwab Charitable is the name used for the combined programs and services of Schwab Charitable Fund, an independent nonprofit organization.

Schwab Charitable Fund is recognized as a tax-exempt public charity as defined in Internal Revenue Code (“IRC”) Sections 501(c)(3), 509(a)(1), and 170(b)(1)(A)(vi). Schwab Charitable Fund is eligible to receive tax-deductible charitable contributions under IRC Section 170(c). Schwab Charitable Fund has entered into service agreements with certain affiliates of The Charles Schwab Corporation (Charles Schwab & Co., Inc. and Charles Schwab Investment Management, Inc.).

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