



## ENSURING GEF's FUTURE

While we wish that the Gloucester Education Foundation (GEF) were not necessary, it is likely that public education will continue to be underfunded in the foreseeable future. The need to support public education in Gloucester will likely persist, and GEF's mission of driving innovation, encouraging creativity, expanding student opportunities and empowering our educators will continue to be a shared community responsibility. Just as families develop financial plans and make investments to ensure that funds are on hand for needs that may be several years away, GEF has taken steps to protect its financial stability and provide resources for future programs and ideas.

The GEF Endowment Fund is an invested fund that generates income for GEF and its work in the Gloucester Public School District. It is managed by the Endowment Committee of the GEF Board, which meets quarterly to review the financial health of the fund, and represents the donations of individual and business donors who understand the need to provide a future for GEF and the Gloucester District.

You can be part of that future by making a gift to our Endowment Fund. It is truly a gift that will keep on giving. There are several options:

- **An outright gift of cash directed to the GEF Endowment Fund**
- **A portion of your annual gift to GEF**
- **A gift of stock (for instructions for transferring stock to GEF, click [here](#))**
- **A gift of other appreciated assets (bonds, mutual funds, real estate or other capital assets)**
- **A planned gift (see below)**

### **Planned Giving: Leaving Your Mark on Education in Gloucester**

Planned giving is a way of making a charitable gift— perhaps much larger than thought possible— that is fully funded at some point in the future. It is also a way of balancing how you provide for your family or other heirs with how you leave your charitable legacy. Your planned gift to GEF will help us to sustain our work that, as recent years have shown, has been game-changing in the way that people view public education in Gloucester. Your planned gift in any amount is a tangible and impactful way to support education in the Gloucester Public School District for future generations of children.

There are many ways to make a planned gift to GEF, and your family attorney or financial advisor can guide you as to what is most suitable for your personal circumstances. Three simple and common forms of planned gifts are described below.



## Gloucester Education Foundation

P.O. Box 1104 ● Gloucester, MA 01931 ● (978) 282-5550

[www.thinkthebest.org](http://www.thinkthebest.org)

### ***Bequests***

You can name GEF as a beneficiary in your will. This planned gift has no effect on your current financial picture, and you maintain control over all of your assets during your lifetime. Making a bequest may also lower, or even eliminate, estate tax liability. Bequests can take several forms:

- You may bequeath a specific **dollar amount**
- You may designate a specific **percentage** of your estate
- You may leave the **residue** of your estate after all other bequests are paid out
- You make a **contingency** bequest, i.e., “I leave \$500 to my brother, but if he dies before me, I leave \$500 to Gloucester Education Foundation.”
- You may leave a specific **item**, such as a piece of art or a house, subject to GEF’s gift acceptance policy

Consult your attorney for the appropriate language for your bequest.

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### ***Charitable Remainder Trust***

You can invest assets in a charitable remainder trust (CRT) and designate GEF as the ultimate beneficiary. The CRT will generate an income stream that is available to you and/or a named beneficiary for life. Upon the death of the named beneficiary, the principal is distributed to GEF. In addition to making a gift in this way to GEF, you will

- receive an immediate income tax deduction
- potentially reduce estate taxes
- potentially increase the income from your assets
- provide for your spouse and/or heirs
- defer or possibly eliminate capital gains taxes on donated assets of stock or real estate

Again, your attorney can work with you to structure a CRT that will address your personal needs and benefit GEF.

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### ***Qualified Retirement Plan***

Retirement plan assets—IRAs, 401(k) plans, profit-sharing plans, Keough plans and 403(b) plans—are great sources of retirement income, but not always a good choice for making gifts to your heirs. Retirement plan assets owned at death in a taxable estate are subject to high federal tax rates of up to 65 percent—and an additional income tax rate for your heirs of up to 35 percent (plus state income tax) once they receive the asset. As an alternative, you may wish to consider leaving the assets in your retirement account to GEF. It is simple and does not require an attorney, but we encourage you to consult with your advisors. You would complete a beneficiary designation form provided by your plan custodian and name GEF as the beneficiary on your account. Doing so does not impact your use of the fund during your lifetime, and if circumstances in your life alter, the beneficiary may be changed at any time. Making this type of planned gift may reduce tax liability for you and your heirs.

**For questions about Endowment or planned gifts to GEF, please contact our office at (978) 282-5550.**