



## Beneficiary Information

La Reina High School may be designated as a beneficiary, a simple yet meaningful way to invest in the students. A donor may name La Reina as a beneficiary of a **retirement plan**, **financial account** or **life insurance policy**. After the donor's lifetime, the asset will be transferred to La Reina without going through probate. The amount of the gift is deducted from the value of the donor's estate, which may reduce estate tax liability.

- **Retirement Plan** - Although a retirement plan is designed for the individual's benefit during retirement years, the individual may name beneficiaries for the plan. A beneficiary will receive the funds in case the person passes away with funds still in the account. In addition to relatives and friends, a nonprofit organization such as La Reina may be named as one of several or as the sole beneficiary.

Retirement fund assets have tax implications for non-charitable beneficiaries. Most retirement plans are income tax-deferred-the person does not pay income tax on the funds contributed to the plan or on the growth of the assets within the fund. Non-charitable beneficiary(ies) will be liable for the unpaid income tax. Nonprofit organizations such as La Reina High School are tax-exempt and therefore not liable for the unpaid taxes.

Naming or changing beneficiaries is simple. Contact the retirement plan administrator and request a beneficiary form.

- **Financial Account** - La Reina High School may also be included in an estate plan by naming the school as the beneficiary of an account, such as a bank or brokerage account, or an asset, such as a certificate of deposit (CD). A beneficiary-designation form (often called a transfer-on-death or payable-upon-death form) is provided by the financial institution for this purpose. After the person's lifetime, the asset will pass directly to La Reina, bypassing probate. Individuals considering this option are encouraged to make a list of these accounts, and keep the information with other estate planning documents.
- **Insurance Policy** - La Reina High School can be named as beneficiary or contingent beneficiary of existing life insurance policies, or a new life policy may be purchased as well, allowing for a large future gift to be donated at a relatively modest cost.

This information is not intended to be tax or legal advice. Please consult a qualified estate planning professional before making a gift.

Our legal title is: La Reina High School • IRS nonprofit identification number: 95-2381453.

For further information, contact

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