



Bequests: Gifts of Land and other assets through your Will.

Making a bequest can have a lasting impact on the beauty and character of Tennessee while protecting its farms, forests, and special ecological and historic places. Provisions in your will or revocable living trust allow you to control the distribution of your estate and, in some cases, reduce estate taxes. We can discuss with you, in confidence, language that could be used to ensure your wishes are followed and that you achieve the desired estate tax results.

How Can I Give Through a Bequest?

Bequests come in a variety of forms. Bequests can be used to make a substantial gift to a specific program, or to endow¹ your annual support for our general work. They can also be used to conserve your land or enhance The Land Trust for Tennessee's ability to achieve its mission.

Step 1. Choose to give specific assets, a portion of your estate, or your residual estate after payment of other bequests.

Step 2. Choose if The Land Trust for Tennessee should use your gift for a specific purpose, or wherever the need is greatest. Options for specific purpose include: protection and restoration of wildlife areas, protection of farmland, protection of public open spaces, stewardship of lands under conservation easement.

Step 3. Name the The Land Trust for Tennessee in your will.

It is important to schedule a meeting with your attorney to add the correct legal language to your document when updating your will and to be sure you understand all tax consequences of your chosen method of giving.

General Language: If you wish to name us as a beneficiary in your will, please name us as:

The Land Trust for Tennessee, a nonprofit organization organized and existing under the laws of the State of Tennessee, with its headquarters located at 209 10th Avenue South, Suite 327, Nashville, TN 37203. The Land Trust for Tennessee's tax ID number is: 62-1770549.

Specific bequests

A specific bequest is an outright gift of money, stocks, bonds, land, tangible personal property, or other assets. The wording for a specific bequest may follow this general form:

I give, devise, and bequeath to The Land Trust for Tennessee, a non-profit charitable organization with offices in Nashville, TN, the _____ (description of real or personal property or estimated sum of money), to be used by the organization (wherever the need is greatest) OR (for a specific purpose)."

Bequests of land with conservation value

In the case of a bequest of land that has conservation value (but does not have a conservation easement in place), we urge you to talk with us before signing the will so that The Land Trust for Tennessee has clarity about your wishes for the future conservation and transfer or sale of the property.

If you wish to give us your land that has a conservation easement in place, we ask you to talk with us about your vision for the property. We cannot commit to owning and managing every property bequeathed to us, but together we can explore creative ways to meet your legacy goals while maintaining the efficiency of our organization.

"I give, bequeath and devise to The Land Trust for Tennessee, located in Nashville, TN, all of my right, title and interest in the following property (insert legal description of real property) OR (if the property is not real property, insert a description that specifically identifies the items being given) to be used by the organization (wherever the need is greatest) OR (for a specific purpose)."

Specific bequests of a conservation easement

Some landowners have used their wills or revocable trusts to place a conservation easement on land upon their deaths. However, when considering this, it is important that you consult with us prior to executing the document to assure that your conservation goals can, in fact, be met. There are important technical details in drafting conservation restrictions that must be included to fulfil the IRS deductibility requirements. We will also inform you of our stewardship endowment policy² for the management and enforcement of the easement. The suggested wording for bequests of conservation restrictions is:

1) In the event I do not make such a conveyance [describe the intended conservation easement

here] during my lifetime, I hereby bequeath unto The Land Trust for Tennessee, a publicly supported 501(c)(3) organization with offices in Nashville, TN, the development rights and conservation restrictions in certain real property described as follows: (Legal Description of Protected Property). The development rights and conservation restrictions to be conveyed shall be substantially in the form set forth in the Conservation Easement Summary attached to this will as Exhibit B, and incorporated herein by reference as if fully set forth. 2) I further bequeath to The Land Trust for Tennessee, the sum of \$(_____) as a stewardship endowment for the purpose of monitoring and enforcing the conservation restrictions on the property conveyed pursuant to the preceding paragraph.

Residuary bequests

In a residuary bequest, an individual leaves all or a part of the balance of the estate to a beneficiary after debts, burial costs, probate expenses, and specific bequests have been satisfied. The suggested wording for a residuary bequest might be:

Portion of estate: *"I give, bequeath, and devise to The Land Trust for Tennessee, located in Nashville, TN ____% of my estate to be used by the organization (wherever the need is greatest) OR (for a specific purpose)."*

Residual estate: *(after all other bequests are named): "I give, bequeath, and devise to The Land Trust for Tennessee, located in Nashville, TN, the rest, residue, and remainder of my property of every kind and description, wherever situated and whenever acquired, to be used by the organization (wherever the need is greatest) or (for a specific purpose)."*

Contingent bequests

A contingent bequest provides for the disposition of an estate if one or more beneficiaries fail to survive the benefactor. It can be used in conjunction with a specific bequest or a residuary bequest. The following is an example of a contingent bequest:

If any of the above-named beneficiaries should predecease me, I hereby bequeath his or her share to The Land Trust for Tennessee, a non-profit charitable organization with offices in Nashville, TN, to be used by the organization (wherever the need is greatest) or (for a specific purpose)."

What are the tax consequences of making a bequest?

With congressional enactment of the 2012 Tax Relief Act, only 1-2% of Americans are potentially affected by the estate tax. Individuals dying with an estate of \$5 million or less will be exempt from the tax, unless they have made unusually large lifetime gifts to their family or others. A husband and wife can pass up to \$10 million to their heirs without tax, provided they

have done proper estate planning. The estate tax on assets above these levels may be subject to a tax rate as high as 40%. Regardless of the size of your estate, you should work with your financial and legal advisors to prepare an estate plan, and have a will or living trust in place, so that your assets will pass to your intended beneficiaries.

How do I get started?

Your attorney will be the principal advisor in preparing your will or revocable living trust. The Land Trust for Tennessee can provide sample language for specific, residuary, and remainder bequests and to review any draft documents upon request. If you do not have an attorney, we would be happy to share the contact information for attorneys that we have worked with on estate related matters.

If a bequest to The Land Trust for Tennessee involves real estate, it is very important for you to meet with our staff while the will is still in preparation, so that we can discuss your plans and intentions and determine that we can meet them. If you intend to bequeath a conservation easement, we need to determine that it conforms to our policies, and discuss what restrictions you envision for the land. We will then draft the easement for you and your attorney to review.

Revocable living trusts

Some people prefer to plan the distribution of their estates through revocable living trusts. If you have a living trust, you may change it during your lifetime while retaining complete control over your assets, as you would with a will. However, living trusts have several advantages over wills.

If the living trust is properly funded, the trustee would be able to distribute much or all of your estate without the expense or delay of probate. If you own real estate that requires management, such as a farm, the trustee can make management decisions should you become incapacitated, thereby avoiding the complexities of a guardianship.

Because people usually reserve the right to revoke or modify a living trust, they may not realize any immediate income tax benefits. However, if properly drafted, a living trust can, like a will, save estate taxes at your death.

Seek professional assistance

Every person who is preparing an estate plan should seek the advice of an attorney before executing a will or living trust. Not only are there issues of estate taxes and distribution to consider, but there may be potential complications when beneficiaries involve minor children or real estate may be owned by multiple family members. Good estate planning can reduce taxes, avoid future litigation costs, and promote family harmony. A thoughtful estate plan can

be a gift for the ages. **Information contained in this document should not be considered legal, accounting, or other professional advice.**

1. *Generally, donors follow the “five percent rule” in creating an endowment. If your annual gift is \$250, an endowment of \$5,000 (with sound investment management) will generate \$250 a year and still offset inflation.*
2. *The Stewardship amount is based on size of the property, number of reserved rights, complexity of the easement, and proximity to other protected properties. The average amount ranges from \$7,000 to \$15,000.*

For more information on The Land Trust for Tennessee’s planned giving program

CONTACT: Sharayah Winkler, swinkler@landtrusttn.org or (615)-244-5263