

# Charitable Solutions: Naming Fidelity Charitable® in an Estate Plan



For individuals and their heirs who are philanthropic, there are several ways to leave a charitable legacy when Fidelity Charitable is part of an estate plan. They can name Fidelity Charitable in a will or as a beneficiary for a qualified retirement plan, life insurance policy, or charitable trust, including both charitable remainder trusts (CRTs) and charitable lead trusts (CLTs).

Individuals who are considering making charitable giving part of their estate plan should consult their tax- and estate-planning advisors regarding modifications to their will.

## Bequests to Fidelity Charitable

Charitable bequests are a great way for individuals to continue to support the causes that are important to them beyond their lifetime. To do this, they can state in their will a specific amount of money, a percentage of their estate, or specific assets or real estate<sup>1</sup> they wish to bequeath to Fidelity Charitable.

A charitable bequest can reduce—or even eliminate—the estate tax burden. The charitable bequest will generally be allowed as a deduction in determining the net value of the taxable estate, and no limitations are imposed on the total amount that can be deducted.

## Beneficiary of a qualified retirement plan or life insurance policy

An individual's retirement savings plan or life insurance may be his or her largest asset. Many do not realize that the remaining qualified retirement plan assets could be heavily taxed after their death. Estate and income taxes can consume a portion of the remaining money in tax-deferred accounts, such as individual retirement accounts (IRAs) and other qualified retirement plans.

Proceeds from a life insurance policy are also subject to estate taxes, if owned by the individual at the time of his or her death.

To move assets out of a potentially high-tax situation and into one that has the potential to result in significant tax savings, individuals can name Fidelity Charitable as the beneficiary of:

- An individual retirement account
- A 401(k) or other qualified retirement plan
- A life insurance policy

An individual can designate Fidelity Charitable as the sole beneficiary, or one of multiple beneficiaries, of the remaining assets.

## Beneficiary of a charitable trust (CRT or CLT)

Individuals who have established or wish to establish a charitable remainder or charitable lead trust may name Fidelity Charitable as the charitable beneficiary.

If an individual has an existing charitable trust to benefit a different charitable organization, it might have been drafted to allow the charitable beneficiary to be changed, allowing the beneficiary to add or substitute Fidelity Charitable. This can provide the flexibility to support a variety of charities beyond the term of the trust.

## Language for bequests to be used when writing wills

- Bequest in Will where Giving Account® at Fidelity Charitable is Established Prior to Death:  
I bequeath \_\_\_\_\_ dollars (\$ \_\_\_\_\_) [and/or the following described property, \_\_\_\_\_]  
[and/or \_\_\_\_\_ percent (\_\_\_\_\_ %) of my residuary estate] to FIDELITY CHARITABLE, to be  
allocated to the \_\_\_\_\_ [Giving Account Name], Giving Account Number \_\_\_\_\_.
- Bequest in Will where Giving Account® at Fidelity Charitable is Not Established Prior to Death:  
I bequeath \_\_\_\_\_ dollars (\$ \_\_\_\_\_) [and/or the following described property, \_\_\_\_\_]  
[and/or \_\_\_\_\_ percent (\_\_\_\_\_ %) of my residuary estate] to FIDELITY CHARITABLE, to be held in  
a donor-advised fund known as the \_\_\_\_\_ [Giving Account Name]. I hereby name \_\_\_\_\_ to take  
all steps necessary to establish such a donor-advised fund at FIDELITY CHARITABLE. I direct \_\_\_\_\_ to  
have the same recommendation privileges, including those with respect to distributions and investments,  
that I would have had as an Account Holder at Fidelity Charitable during my lifetime (with the same authority  
to designate a successor).

## Language to use for IRAs, 401(k)s, and other qualified plans

- Beneficiary Designation where Giving Account at Fidelity Charitable is Established Prior to Death:<sup>2</sup>  
I distribute \_\_\_\_\_ dollars (\$ \_\_\_\_\_) [and/or \_\_\_\_\_ percent (\_\_\_\_\_ %)] to FIDELITY  
CHARITABLE, to be allocated to the \_\_\_\_\_ [Giving Account Name], Giving Account Number \_\_\_\_\_.
- Beneficiary Designation where Giving Account at Fidelity Charitable is Not Established Prior to Death:<sup>2</sup>  
I distribute \_\_\_\_\_ dollars (\$ \_\_\_\_\_) [and/or \_\_\_\_\_ percent (\_\_\_\_\_ %)] to FIDELITY  
CHARITABLE, to be held in a donor-advised fund known as the \_\_\_\_\_ [Giving Account Name].  
I hereby name \_\_\_\_\_ to take all steps necessary to establish such a donor-advised fund at FIDELITY  
CHARITABLE. I direct \_\_\_\_\_ to have the same recommendation privileges, including those with respect  
to distributions and investments, that I would have had as an Account Holder at Fidelity Charitable during my  
lifetime (with the same authority to designate a successor).

## Language for distribution from a trust

- Distribution from a Trust where Giving Account at Fidelity Charitable is Established Prior to Death:  
The Trustees shall distribute \_\_\_\_\_ dollars (\$ \_\_\_\_\_) [and/or the following described property,  
\_\_\_\_\_] [and/or \_\_\_\_\_ percent (\_\_\_\_\_ %) of my trust assets] to FIDELITY CHARITABLE, to be  
allocated to the \_\_\_\_\_ [Giving Account Name], Giving Account Number \_\_\_\_\_.
- Distribution from a Trust where Giving Account at Fidelity Charitable is Not Established Prior to Death:  
I bequeath \_\_\_\_\_ dollars (\$ \_\_\_\_\_) [and/or the following described property, \_\_\_\_\_] [and/  
or \_\_\_\_\_ percent (\_\_\_\_\_ %) of my trust assets] to FIDELITY CHARITABLE, to be held in a donor-  
advised fund known as the \_\_\_\_\_ [Giving Account Name]. I hereby direct my Trustee to take all steps  
necessary to establish such a donor-advised fund at FIDELITY CHARITABLE. I direct my Trustee to name  
\_\_\_\_\_ to have the same recommendation privileges, including those with respect to  
distributions and investments, that I would have had as an Account Holder at Fidelity Charitable during my  
lifetime (with the same authority to designate a successor or additional Account Holders).

**Call a Charitable Planning Specialist at 800-682-4438 or visit [FidelityCharitable.org](https://www.FidelityCharitable.org)  
to learn more about the Fidelity Charitable donor-advised fund program.**

<sup>1</sup>Fidelity Charitable does not accept tangible personal property (by will or otherwise), and generally does not accept non-publicly traded assets by will unless the estate will liquidate the assets and distribute cash to Fidelity Charitable.

<sup>2</sup>The designation of a charitable beneficiary or the designation of both a charitable beneficiary and a non-charitable beneficiary of an undivided IRA may limit the payout options available to the donor and/or the non-charitable beneficiary.

Tax and estate information provided is general and educational in nature, and should not be construed as legal or tax advice. Fidelity Charitable does not provide legal or tax advice. Content provided relates to taxation at the federal level only, and availability of certain federal income tax deductions may depend on whether you itemize deductions. Rules and regulations regarding tax deductions for charitable giving vary at the state level, and laws of a specific state or laws relevant to a particular situation may affect the applicability, accuracy, or completeness of the information provided. Charitable contributions of capital gain property held for more than one year are usually deductible at fair market value. Deductions for capital gain property held for one year or less are usually limited to cost basis. Consult an attorney or tax advisor regarding your specific legal or tax situation.

Fidelity Charitable is the brand name for Fidelity® Charitable Gift Fund, an independent public charity with a donor-advised fund program. Various Fidelity companies provide services to Fidelity Charitable. The Fidelity Charitable name and logo and Fidelity are registered service marks of FMR LLC, used by Fidelity Charitable under license. Giving Account is a registered service mark of the Trustees of Fidelity Charitable.