

# Beneficiary Designation

Easy and Flexible



A beneficiary designation of your retirement plan, IRA, life insurance, bank account or commercial annuity is the simplest and most flexible way to support San José State University. Beneficiary designations are revocable and take precedence over your will. While you cannot claim a charitable income tax deduction, your estate will be entitled to an offsetting charitable deduction. Naming SJSU as a beneficiary enables you to make a significant charitable gift while preserving other estate assets for your heirs.

## What You Can Give

### Retirement Plans and IRAs

A retirement plan or IRA is one of the best assets you can leave to charity because more than half of your retirement plan assets could be subject to income and estate taxes. It is usually better to leave these taxable assets to SJSU and give non-taxable assets to your loved ones.

### Life Insurance Policies

Maybe you once needed life insurance for your loved ones, but now your family's requirements have changed. Why not use the insurance policy to help advance SJSU's mission? You can make a substantial gift at a relatively low cost and, like any beneficiary designation, you can change it at any time.

### Bank Accounts

Federal banking regulations allow bank account holders to designate a charitable organization to receive the balance of the account in the event of their deaths. Once you name the beneficiary, your bank account will become an account "payable on death," and it will be classified as a revocable trust account

by the Federal Deposit Insurance Corp. Naming a beneficiary does not grant the beneficiary access to any of the funds or services associated with the account during your lifetime.

### Commercial Annuities

Commercial annuities are tax-heavy assets to own, similar to retirement plans and IRAs. They carry an income tax burden when paid to your named beneficiary. Income tax is due on the growth of the annuity. In other words, what it is worth when you die over what you paid for it. The tax burden makes these assets another popular choice to leave to a tax-exempt organization like SJSU.

## How it Works

- Contact the administrator of your retirement plan, IRA, life insurance policy, bank account or commercial annuity and obtain a beneficiary form.
- Complete the form, naming The Tower Foundation of San José State University, Tax I.D. # 83-0403915, as beneficiary and the percentage you would like the university to receive.
- Name SJSU as a contingent beneficiary to ensure your spouse or loved one benefits from the assets prior to those assets going to SJSU.
- Return the form to the plan administrator.
- You can modify your beneficiary designations at any time to meet your changing needs. Experts suggest reviewing them every two to three years when you review your entire estate plan.



Richard Sessions is a career businessman, entrepreneur and lecturer in San José State's School of Information Systems and Technology. He has a learning disability, dyslexia.

To support Spartans living with similar obstacles, he designated SJSU as the beneficiary of his retirement plan.

His gift will establish a scholarship for business students with disabilities through the Accessible Education Center.

"Somebody with a disability has to work doubly hard on their education. Often, they can't work and pursue a college education at the same time," he says. "That's when I realized I have the ability to give these students an opportunity for a better future."