MAFA LEGACY GIVING GUIDE

The Mount Athos Foundation of America (MAFA) is a US non-profit, public benefit corporation whose mission is to support the monastic community of Mount Athos, the Holy Mountain. We do this through fostering awareness, understanding and study of the monastic communities and the Athonite tradition, by aiding in the restoration and preservation of historic monuments and artifacts, and by supporting the operations of the 20 monasteries and their dependencies in times of need. To succeed in our mission, we depend on our patrons, donors, and volunteers. An important source of funds for charitable organizations like MAFA is the bequests left by our supporters when the time comes, as the Athonite fathers say, for them to fall asleep.

The St. Paisios Society was formed by MAFA to encourage contributions to MAFA through the various means of legacy giving that exist today. St. Paisios of Mount Athos (†1994) is one of the most revered and beloved of the Elders of the Holy Mountain of our time. Fr. Matthew Swehla attributes his world-wide veneration to the fact that "he was able to speak to us in contemporary language, using simple analogies that communicated deep spiritual wisdom." We have named our Society for him because it is the objective of MAFA, likewise, to speak to the modern world in modern language to promote an understanding of the Holy Mountain and the spiritual wisdom it offers for our time.

We hope that all supporters of MAFA and the Holy Mountain will consider leaving a gift to the Foundation as one of their final acts of generosity.

AN INTRODUCTION TO LEGACY GIVING

Charitable contributions are the lifeblood of MAFA's long-range mission to support the monastic community of Mount Athos. Current contributions are critical to our current and ongoing efforts. But to become a permanent and stable resource for the Holy Community, a reliable and unfailing friend of Mount Athos in times when world conditions become unstable, MAFA depends on the larger gifts that our supporters can continue to provide through bequests that will carry on long after they have passed away. The beauty of this type of gift is that MAFA's need is in harmony with the reality that most of us are able to afford a greater degree of generosity after our passing than we could during our lifetimes.

At the most basic level, this ideal may be simply addressed by a bequest to the Foundation in one's Last Will and Testament. However, there are many other alternatives that may be of greater benefit for both the Foundation and for our Supporters. In fact, you may be surprised to learn that a Last Will and Testament might be the least effective method by which to make a gift at one's passing! This article provides a brief synopsis of how to make a gift to the Foundation using a Last Will and Testament and a presentation of some potentially better alternatives. All of the following alternatives provide a charitable deduction for purposes of estate-tax or income-tax. That benefit may actually reduce the cost of making the gift or allow for the making of a larger gift. In no particular order, some of the various alternatives are described in the following sections. Ultimately, each of our supporter should consult his or her tax, wealth, and/or legal advisor for specific advice relevant to his or her particular circumstances.

RETIREMENT PLANS

An IRA, 401(k), 403(b), or similar tax-deferred retirement investment is an ideal vehicle from which to engage in charitable gifting. The main advantage is that although one's children or other individuals would need to pay income tax on traditional IRAs and similar assets that are left to them, a charity such as MAFA does not have to pay income tax on distributions from these types of accounts. Therefore, all of the dollars go to the Foundation's purposes, rather than some part of that being lost for payment of income taxes. As an added bonus, such an arrangement also avoids probate.

***How to do it*:** This part is easy. Simply contact the company that manages your retirement account. Each IRA or similar account has a "beneficiary designation form." Completion of these forms should not require the help of an attorney. Simply list "Mount Athos Foundation of America" in the space for the beneficiary, designate the amount or percentage, sign the form, and return it to the company that manages your account.

ANNUITIES

Generally speaking, annuities are tax-deferred investments. That means that when one passes away and leaves the annuities to beneficiaries, the beneficiaries will usually have to pay income tax on at least some portion of the annuity. Therefore, as with the IRA analysis above, if you are inclined to give to a charity, it is better to leave the charity something which, if left to your family, would result in the family having to pay income or inheritance taxes. Of course, you can still leave to your family those assets which would result in no income taxes to them. As an added bonus, making a gift of an annuity to MAFA also avoids probate with its associated costs.

***How to do it*:** As with IRAs explained above, this part is easy. Simply contact the company that manages your annuity. Every annuity has a "beneficiary designation form." Completion of this form should not require the help of an attorney. Simply list "Mount Athos Foundation of America" in the space for the beneficiary, sign the form, and return it to the company that manages the account.

LIFE INSURANCE

Life insurance is a great gift to leave a charity for several reasons. First, it's very easy to accomplish. See the section below on how to do it. Secondly, many people may have life insurance policies that were purchased for a specific purpose, such as to pay off a mortgage which no longer exists, pay for the college education of children that are now educated, or to pay other expected bills which have now resolved themselves. Though in many cases the need for the insurance is no longer present, the policy and its benefits still exist. As with named beneficiaries on retirement accounts and annuities, life insurance benefits payable at your passing to a named, existing beneficiary, including MAFA, avoid probate.

How to do it: Simply contact your insurance company or agent and complete a "change of beneficiary form" in the same manner as described above.

BANK AND STOCK BROKERAGE ACCOUNTS

As with the assets described above, these assets also allow for the naming of a beneficiary. Someone intending to leave a Certificate of Deposit or other type of bank account, stock brokerage account, or similar assets to the Foundation need only communicate with the bank or brokerage representative to arrange for naming the Foundation as the beneficiary of such account. The specific name for such arrangement might vary depending upon the institution. For instance, one might see the phrase "Transfer on Death" beneficiary, sometimes shortened to "TOD" beneficiary. Another example is "POD," which stands for "Payable on Death" beneficiary. In addition, some institutions, such as credit unions, may wish to use a trustee/beneficiary designation in which the MAFA Supporter is named as the trustee and the Foundation is named as the beneficiary, even though there is no formal Trust Agreement created by the MAFA Supporter. In any event, under all such arrangements, at the passing of the MAFA Supporter, the bank, credit union, or other financial institution will pay the named beneficiary whatever percentage of the account is designated on their records. As with all of the examples described so far, these types of benefits are payable at your passing without the involvement of the Probate Court.

How to do it: Contact your bank, credit union, or other financial institution and tell them you want to list MAFA as a beneficiary, sign the form, and file it with the bank, credit union, or other financial institution.

SPLIT-INTEREST GIFTS

A split-interest gift is any gift in which a portion is assigned to charity and a portion benefits the donor or his/her designee. These types of gifts come in all kinds, some of which use wills, trusts, or deeds to accomplish their purpose. Examples of these are charitable remainder trusts, pooled income funds, gift annuities, and charitable lead trusts. To summarize, the purpose of "splitting the interest" is that during your lifetime, you and/or someone you designate can retain some of the interest or benefit from that asset, and it is only at some later point in time that MAFA obtains all of the interest or benefit of such asset. An example using an investment account: you could retain the right to all of the income, and even have it paid to a named survivor, but have the account structured so that after the passing away of the named individuals, that asset would go to MAFA. Structured properly, this can even generate an immediate income-tax charitable deduction, even though the income is coming back to you and possibly a survivor. Another example would be a piece of real estate, including your home or vacation property. The real estate can be structured so that you have varying levels of control — such as either just the right to live on the property or absolute control over the property yet, at your passing, all of the interest in the property will pass to MAFA. Depending upon the structure, probate avoidance along with income-tax deductions or estate-tax deductions are possible.

How to do it**:** Because these options involve the use of deeds, trusts, or other legal concepts and because of the interplay with the tax laws, the best advice is to seek a good legal and tax counsel to evaluate the various options with you.

TRUSTS

Amending one's trust, or creating a trust, is in certain ways similar to preparing a Last Will and Testament. However, trusts generally avoid probate and its related costs. Therefore, when the use of more traditional probate avoidance techniques (such as joint ownership or designated beneficiary assets) are insufficient, estate planners frequently use a trust. The workings of a trust will seem similar to the workings of a Last Will and Testament. The similarities are, in fact, quite strong; but given the advantages of probate avoidance generally available through the use of a trust, it is easy to see why many advisors recommend the use of a trust, if the other probate avoidance techniques are insufficient. As with the above options, probate avoidance and tax savings are possible with the use of trusts for charitable giving.

***How to do it*:** Because of the legal complexities, the best advice is to review this with your attorney. Your attorney will certainly want to know what dollar amount or percentage of your estate you are looking to leave to MAFA. They may also ask if your intent is to leave such amounts to MAFA for its general purposes or if you have any specific purpose or a specific fund in mind. Finally, the attorney will need to know the legal name of the Foundation, which is: "Mount Athos Foundation of America, Inc."

LAST WILLS AND TESTAMENTS

Clearly, the Foundation would welcome and appreciate being included as a beneficiary under a Supporter's Last Will and Testament. But in deciding whether this is the best approach, given the alternatives described above, please consider the following. In order for an asset to be controlled by an individual's Last Will and Testament, that asset needs to have been owned by that individual, in that person's name alone, without a named or designated beneficiary, and therefore structured in such a manner that it can successfully pass through the Probate Court. Wills only "speak" in Probate Court. While many might be inclined to include a benefit for the Foundation as part of their Last Will and Testament; the fact is that because Wills must go through the Probate Court process, they are not as efficient a manner of gifting as those presented by the above alternatives, for several reasons. First, such assets are exposed to the claims of creditors, including your state of residence for payment of nursing home expenses through its Medicaid program, as well as any other creditors. Separate from the claims of creditors, there is also the delay, cost, and lack of flexibility associated with Probate Court. However, if you are at all inclined to name MAFA in your Last Will and Testament, please do so.

How to do it: Your attorney will need to know what dollar amount or percentage of your estate are you looking to leave MAFA. They may also ask if your intent is to leave such amounts to the Foundation for its general purposes or if you have any specific purpose or a specific fund in mind. If you have something in mind in this regard that is not currently listed as an appeal or fund or objective of the Foundation, please contact MAFA to discuss it. Finally, the attorney will need to know the legal name of the Foundation, which is: "Mount Athos Foundation of America, Inc."

CONCLUSION AND DISCLOSURE

As much as we would like to help Supporters of the Foundation in their estate planning matters, there is a potential for allegations of conflict of interest between your survivors (who might prefer to have all of your assets for themselves) and the Foundation, if the Foundation is a beneficiary under your estate plan. Therefore, it might be a far better practice for you to seek your own attorney, wealth advisor, life insurance advisor, tax accountant, and the like, rather than rely upon people who have a long-term interest in the success of the Foundation.

Thank you for your support!

MOUNT ATHOS FOUNDATION OF AMERICA, INC.
THE ST. PAISIOS SOCIETY
LEGACY GIVING INFORMATION FORM

Date:________________________________

Name(s):____

Address:____

Phone:______________________________ Email:__________________________________

A. Information about your planned gift you would like the Foundation to know:

____

____

B. Key family members:

Name:______________________________________ Phone:______________________

Name:______________________________________ Phone:______________________

Name:______________________________________ Phone:______________________

C. Is your family aware of your planned-giving intentions?

______yes ______no

D. Other people to contact relative to your giving intentions (e.g., attorney, trustee):

______yes ______no

If "yes," Name:________________________________ Phone:______________________

E. In order that others might follow your example, may we identify you as a member of The St. Paisios Society?

______yes ______no

F. Would you like to know more about the various forms of legacy giving?

______yes ______no

Mount Athos Foundation of America, Inc.
THE ST. PAISIOS SOCIETY
www.mountathosfoundation.org