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| **Create a Jewish Legacy: Glossary of Terms** **Annuity**An investment that provides a specified income, payable at stated intervals, for a fixed or contingent period, often for the lifetime of the recipient.  | **Endowment** Funds are designated into an investment account in which the principal funds are kept intact permanently and only the interest earned is used to help with on-going year-to-year operating expenses.  |
| **Bequest** A gift by will of personal property; a legacy. *I give (cash of $\_\_\_\_\_\_\_\_\_ or \_\_\_% of my estate or specified property) to (legal name of organization and tax ID number) to be used for (designation).*  | **Legacy or Planned Gift** A legacy gift (a.k.a. planned gift, bequest or deferred gift) is a gift made as a dollar amount or percentage of a donor’s estate. These are pledges only and are not considered income until the bequest is actualized.  |
| **Capital Assets** For federal income-tax purposes, the property held by the tax payer (e.g. house, car, stocks, bonds). However, property that the tax payer creates, such as business inventory, is considered ordinary-income property, not capital-gain property.  | **IRA (Individual Retirement Account)** An investment account in which a person can set aside income up to a specified amount each year and usually deduct the contributions from taxable income, with the contributions and interest being tax-deferred until retirement.  |
| **Capital Gain** The gain (or profit) realized on the sale or exchange of a capital asset.  | **Life Insurance** Insurance that guarantees a specific sum of money to a designated beneficiary upon the death of the insured or to the insured if the insured lives beyond a certain age.  |
| **Charitable Gift Annuity** A contract between an organization and a donor. In exchange for an irrevocable gift of cash or securities, the Foundation agrees to pay the donor, or someone of the donor’s choosing, a fixed amount for life. After the donor’s lifetime, the remaining principal in annuity establishes an endowment fund.  | **Pension Plan** An arrangement for paying death, disability, or retirement benefits to employees. Payments into the plan are ordinarily a tax-deductible expense for the firm, but any contribution by employees may or may not be deductible on personal tax returns. Likewise, retirement benefits paid to employees will be wholly or partially taxable.  |
| **Charitable Remainder Trust** A trust that pays to one or more individuals, at least one of which is not a charity, for a specified length of time then leaves the remainder of the trust to a designated charity.  | **Pooled Income Fund** A charitable trust in which gifts of cash or marketable securities are commingled for investment purposes with those of other donors. The donor and/or any person designated by the donor is paid his or her pro rata share of all the income earned annually by the trust. After the death of the income beneficiary or beneficiaries, the donor’s gift is removed from the pool and goes to the charity that sponsors the trust.  |