

# Make a Bequest Net of All Fees and Taxes



## Estate Planning as You Wish

It is possible to make a bequest to a cause like the American Hospital of Paris and support your family and loved ones at the same time. Both aims are perfectly compatible. We can even make it easier for you to transfer assets to your chosen beneficiaries: this is because the American Hospital of Paris is a public-benefit organization and, as such, is exempt from paying inheritance tax, whereas individuals you name as heirs are heavily taxed. Our special status enables us to act as an intermediary to help you make a gift to anyone you choose. With this method, your beneficiaries will receive the same amount as if



American Hospital of Paris as your universal heir and giving instructions to the Hospital to transfer a specified amount of money, net of all fees and taxes, to one or more beneficiaries. Since direct descendants are “protected” heirs and automatically entitled to a portion of your estate, this method is most useful if you do not have children and wish to make a gift to a niece, nephew, sibling, cousin, or friend, for example.

To ensure full tax compliance, this method does not allow you to transfer an amount greater than could be left to an heir without the Hospital’s involvement. Care must also be taken to ensure that after all gifts and taxes have been subtracted, a bequest still remains for the American Hospital of Paris.

## Benefit from the Legal Expertise of the American Hospital of Paris

The American Hospital of Paris offers donors an estate planning and planned giving consulting service that is free of charge and completely confidential. A simple appointment can help you determine how to best support your loved ones and the Hospital. You can then draft and sign your will in the presence of your usual notaire. He or she will register it to ensure that each beneficiary will be aware of it and that your wishes will be executed accordingly. As your universal heir, the American Hospital of Paris can act as an intermediary and take care of the sale of any property and the transfer of gifts to your loved ones, while scrupulously carrying out the wishes expressed in your will, under the supervision of your notaire.

they were designated as your direct heirs. However, less tax will be owed, and the difference will go to the American Hospital of Paris. When the French government recognized the Hospital as an organization of public benefit, it authorized us to employ these funds, which would otherwise be used to pay inheritance tax.

## Practical Issues

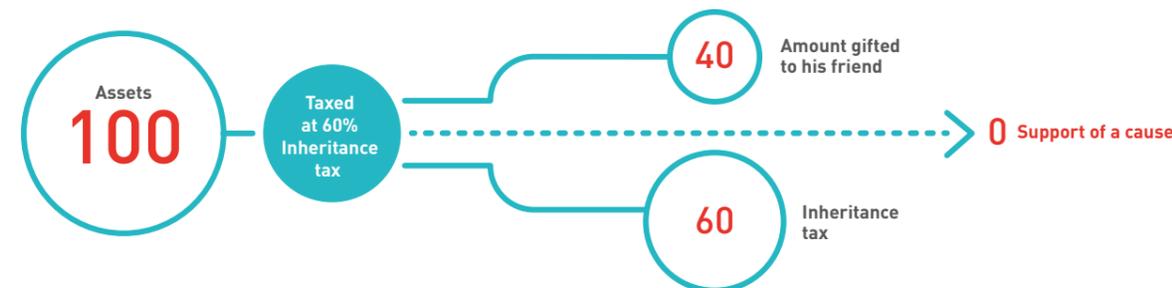
The method that makes this possible is called a “bequest net of all fees and taxes”. It consists in writing a will in which you designate the

Inheritance tax rates vary depending on the relationship between the heir and the testator. A niece or nephew will owe 55% tax on any inheritance in France, so they can never receive more than 45% of an estate. With a bequest net of fees and taxes, the American Hospital of Paris can execute the estate and transfer the niece’s share of the inheritance to her. The niece will receive exactly the same amount (45% of the estate), but the amount of tax owed will be reduced, and that portion can be used by the Hospital to fund its initiatives.

## EXAMPLE

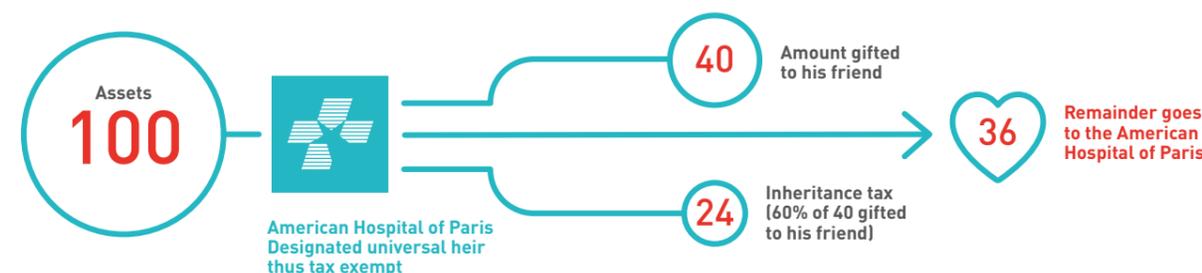
### Situation 1

Mr. Charles B. has an estate of 100. He has no children and wishes to leave something to a close friend.



### Situation 2

Mr. Charles B. has an estate of 100. He has no children and wishes to leave something to a close friend while also supporting the American Hospital of Paris. By designating the Hospital as his universal heir and making a bequest net of all fees and taxes to his friend, he can leave him the same amount while making a big difference for the American Hospital of Paris.



## Talk to an Expert

Pierre-Henri Ollier holds a degree in notary law and has joined the American Hospital of Paris as a philanthropy specialist to provide the Hospital’s donors with the expert information and advice they need. Take advantage of a confidential consultation at no charge. Pierre-Henri Ollier is available to discuss your situation with you and perform an audit of your estate and tax situation to determine the best way to share your generosity between the Hospital and your loved ones.

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