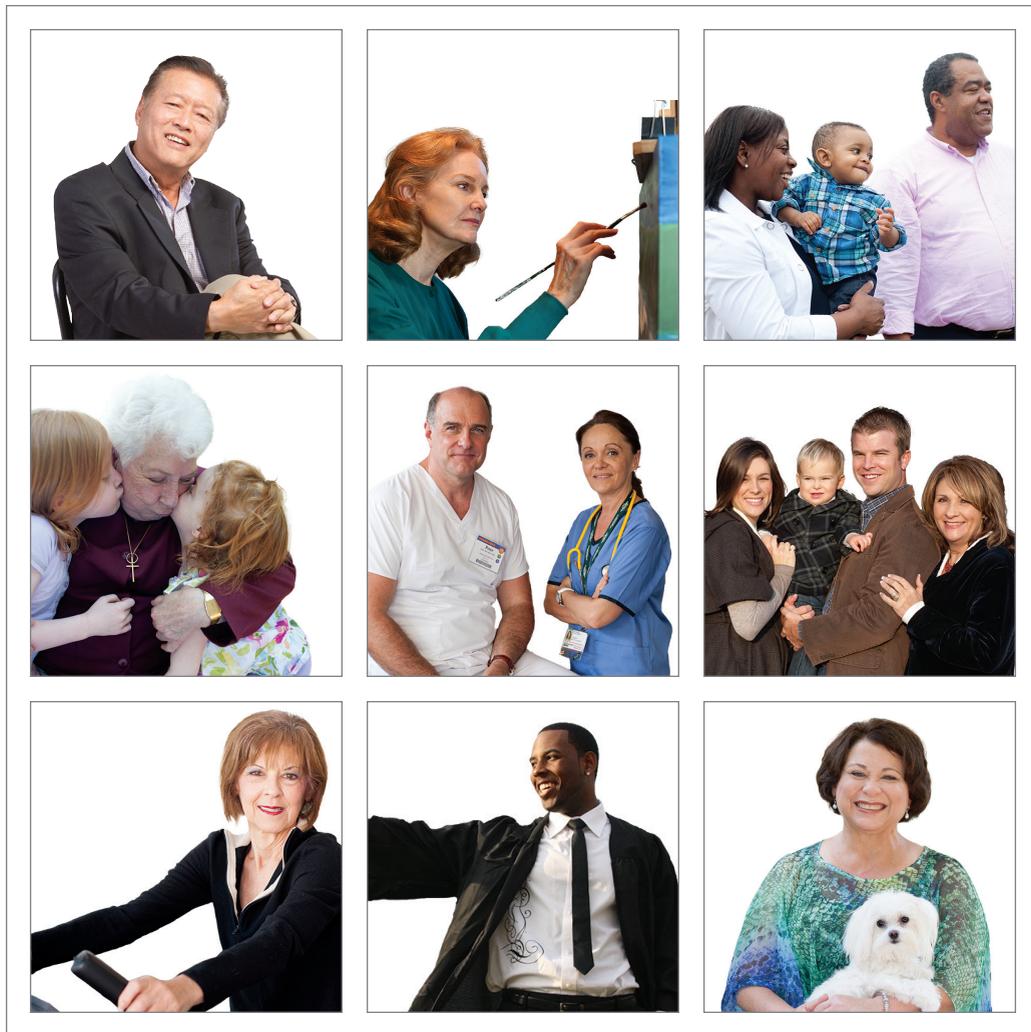


# A Guide to Planned Giving





---

# Dear Friend,

Are you looking for ways to support the causes you care about? Are you looking for ways to save on your taxes this year through charitable giving? Would you like to avoid capital gains tax on the sale of appreciated assets? Are you interested in ideas to help you plan and save for the future? If you answered "yes" to any of these questions, a planned gift can help you achieve your goals.

Planned giving provides many benefits. There are ways to increase your income now or in the future and save you money on taxes. With a planned gift, you can also create your legacy while furthering our charitable mission.

The goal of this guide is to explain to you some of the best planned giving options and the benefits of giving to our organization. If you have questions about your specific assets, potential income or tax savings please contact us. We would be happy to provide you with a personal illustration and answer any questions you may have about charitable plans.

We are happy to help. Please let us know if we can be of assistance to you in reaching your goals.

Sincerely,

Gift Officer

---

---

# What is Planned Giving?

---

## **Annual Giving**

An on-going show of financial support for charity

## **Planned Giving**

A way to leave assets to charity that provide current and future benefits

### **Common Types of Planned Gifts**

<b>Bequest</b>	<b>5</b>
<b>Charitable Gift Annuity (CGA)</b>	<b>6</b>
<b>Charitable Remainder Trust (CRT)</b>	<b>7</b>
<b>Life Estate Reserved (Gift of Remainder)</b>	<b>8</b>
<b>Retirement Assets</b>	<b>9</b>
<b>Bargain Sale</b>	<b>10</b>

# Bequest

A future gift to help your favorite charity. A bequest is one of the easiest ways for you to make a planned gift.

## The Need

Many people want to give to charity but are unable to donate property during their lifetime. For example, you may have property that will be needed during life to cover living expenses or rising health care costs. You may benefit from donating this property through your estate.

## The Solution

You can retain ownership and use your property during your life while also benefiting our organization by leaving the property to us when you pass away.

## The Benefits

### Gift to Charity

We receive cash or property.

### Tax Deduction

The amount given to charity is not subject to federal estate tax.

### Flexible

You are able to use and control your property during your lifetime.

## The Details

You can leave a gift to charity by including a bequest in your will or trust. Property that passes through a beneficiary designation (such as individual retirement accounts) can be left by designating our organization as a beneficiary.

## Specific Asset Bequests

Many bequests transfer a specific item to a beneficiary. "I give my car to Joshua."

## Specific Amount

Another common transfer via a will is the gift of a specific dollar amount. "I give \$1,000 to Sarah."

## Bequest of a Percent of the Residue

A fractional amount or percent of what is left of the estate may be transferred to charity. "I give 50% of the residue of my estate to Ann."

## Undivided Percentage of Asset Bequests

You may bequeath or devise an undivided percentage of a particular asset. "I give half of my home to Brian."



# Gift Annuity

An agreement through which you make a gift of cash or property and we agree to pay you fixed payments for the rest of your life.

## The Details

A Charitable Gift Annuity (CGA) is a contract between you and a charity. In exchange for a gift of cash or property, we agree to make fixed payments to you for the remainder of your life.

## Duration

You give cash or appreciated property to us. In exchange, we make fixed payments for the lifetime of you or you and another person.

## Payout Rate

Your Gift Annuity payout rate is based on your age. Check with us to see how high your payments could be.

## Taxation of Payments

A portion of your gift annuity payments could be tax free. The remaining amount of each payment is taxable at ordinary income tax rates and some portion could be taxed at capital gains rates.

## Timing

A Gift Annuity contract can begin making payments immediately (a Current Gift Annuity) or you can begin receiving payments at a future date (Deferred Gift Annuity).

## The Need

You want to make a gift to charity and receive fixed payments.

## The Solution

You and a charity enter into a charitable gift annuity agreement.

## The Benefits

### Fixed Payments for Life

You receive fixed payments for life.

### Tax-Free Payments

A portion of each payment may be tax free.

### Rates by Age

Payout rates are based on your age at funding.

### Tax Deduction

You will receive a federal income tax deduction.



# Charitable Remainder Trust

You transfer cash or property to a trust that pays income for your life or a term of years. The remainder goes to charity.

## The Need

You desire to change appreciated property that produces little or no income into a productive asset without paying capital gains tax on the sale of your property.

## The Solution

You contribute appreciated property to a Charitable Remainder Trust that will sell the property tax free and make payments for your lifetime or a specified term of years. The trust may pay income to multiple beneficiaries.

## The Benefits

### Bypass Gain

The trust sells your property tax free.

### Increased Income

The trust pays you a percentage of its value.

### Tax Deduction

You receive a current federal income tax deduction.

## The Details

You transfer cash or appreciated property to the CRT. The CRT is a tax-exempt trust that can sell the property without paying capital gains tax.

## Duration

A CRT can last for the lifetime of one or more beneficiaries or for a specified term of years.

## Annuity vs. Unitrust Payout

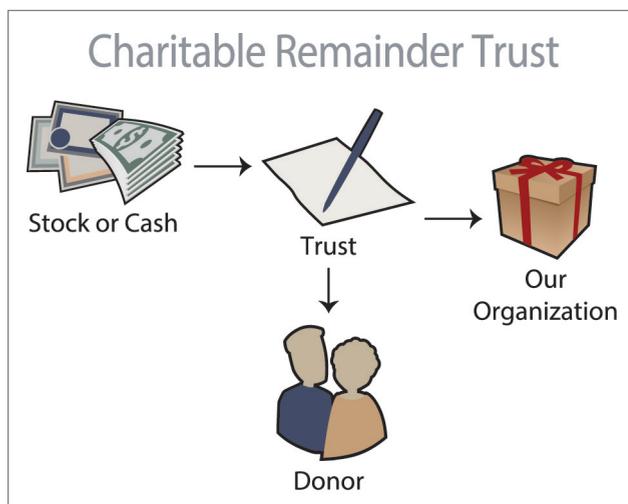
A Charitable Remainder Annuity Trust (CRAT) pays a fixed dollar amount each year. By contrast, a Charitable Remainder Unitrust (CRUT) pays an amount equal to a percentage of the trust value at the beginning of each year.

## Taxation of Payouts

Most CRT payouts are taxed to you as ordinary income and/or capital gain.

## Payout Flexibility

A Unitrust offers flexible payout options. Check with us to see which option is right for you based on your assets and goals.



# Life Estate Reserved

You make a gift of your home or farm to charity and retain the right to use the property for your lifetime.

## The Need

You may desire to leave your home or farm to charity at death but would like a current tax benefit.

## The Solution

You can deed your home or farm to charity but keep the right to use the home or farm for your remaining lifetime.

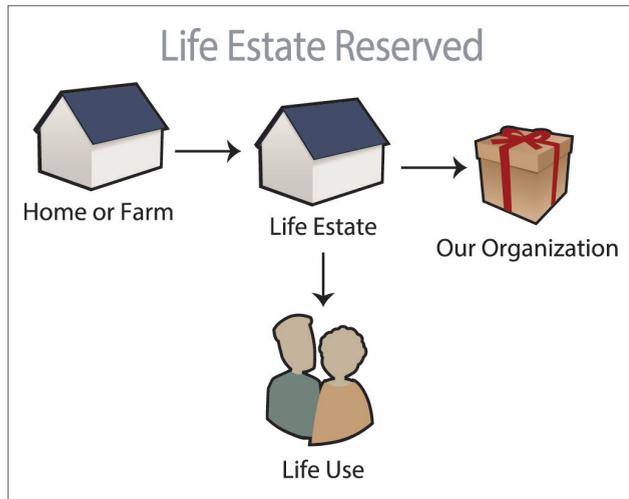
## The Benefits

### Tax Deduction

You receive a current federal income tax deduction for the present value of the remainder interest in the home or farm.

### Preserves Lifetime Use

You are able to use and control the home or farm while alive.



## The Details

You execute a deed transferring your home or farm to charity. On the deed, you retain a "life estate" that grants you the right to use the home for life. You receive an income tax charitable deduction for your gift.

## Duration

The Life Estate typically lasts for your lifetime or the life of you and another person.

## MIT Agreement

You agree to be responsible for the maintenance, insurance and taxes while you remain living on the property.



# Retirement Assets

You leave all or part of your retirement assets to us when you pass away. Your children save on income tax.

## The Details

You make a bequest to us of your retirement assets including your IRA, 401k, 403b, pension or other tax deferred plan.

## Leaving Your Retirement Assets to Us

Your retirement assets may be transferred to us by completing a beneficiary designation form provided by your plan administrator. If you designate us as beneficiary, we will benefit from the full value of your gift because your retirement assets will not be taxed at death.

## Leaving Your Retirement Assets for Income

Another option is to leave your retirement assets to a trust that pays income to one or more loved ones after you are gone. Please contact us to view an illustration with the benefits of this plan.

## The Need

If you give your retirement plan assets to your children, 60%-65% may be taxed. You want to make gifts to your family and charity and avoid taxing your heirs and estate.

## The Solution

You designate us as the beneficiary of your high-tax retirement plan assets and give your heirs your low-tax assets that step up in basis at death.

## The Benefits

### Tax Savings

Your family avoids additional income tax. Your estate enjoys estate tax savings if you have a taxable estate.

### Preserves Lifetime Use

You may continue to take withdrawals from your retirement accounts during your life. You benefit our mission with the remaining funds when you pass away.



# Bargain Sale

A charity purchases your property for less than fair market value or accepts a gift of your mortgaged property.

---

## The Need

Many people desire to sell their property and also make a gift to charity.

## The Solution

A charity can buy your property at a bargain price or agree to accept your property subject to a mortgage.

## The Benefits

### Immediate Benefits

You receive a cash payment or debt relief.

### Bypass Gain

You avoid capital gains tax on the part of the property that is a gift.

### Tax Deduction

You receive a current federal income tax deduction for the part of the property given to charity.

---

## The Details

A bargain sale works just like any other sale except that the sale price is a bargain (less than the property is worth). You receive cash from the sale and a charitable deduction.

## Charitable Deduction

You receive a charitable deduction for the difference between the fair market value of the property transferred and the cash received in the bargain sale.

## Cash or Debt Relief

You can sell your property to charity and receive a cash payment or debt relief.

## Bargain Sale

You receive the cash or debt relief you desire, and the charity receives a valuable property for a payment of less than the fair market value price. The difference between the sale price and the appraised value of the property is a gift you make to the charity.



This information is not intended as tax, legal or financial advice.  
Gift results may vary, consult your personal financial advisor  
for information specific to your situation.

# A Guide to Planned Giving

