
Gifts From IRA's

Some supporters have a large IRA, but they would like to save it for retirement. Many have large balances at death and could use it to benefit both family and charity. The best way to do this is for the owner to transfer the IRA into a special "Give It Twice" trust, which usually pays income to children for a period of up to 20 years. After that time, the trust is transferred to charity. One of the favorable parts of this plan is that the trust receives the IRA, but the trust eliminates any income tax on the IRA; thus, the full value of the IRA earns new taxable income for children. Eventually, the trust can pass to your favorite charity and is a wonderful way to make a gift.

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The Highland UMC Endowment Fund was created to provide earnings from a permanent corpus to underwrite in perpetuity ministry, missions, and capital projects above the church budget. The Endowment will focus on funding projects for members of all ages and on missions and ministries beyond Highland. The Endowment Committee, which is elected annually at Charge Conference, manages the Endowment. The Senior Pastor is a non-voting member. The objective of the Endowment is to preserve principal and use up to 80% of income and growth only for the stated purposes of ministry, missions, and capital projects.

The **Charitable Remainder Trust** is perhaps the most versatile charitable giving tool. With the CRT it is possible to *bypass capital gains tax* on the sale of highly appreciated assets, generate an *increase in income*, receive an attractive *charitable income tax deduction*, and fulfill your philanthropic objectives.

The CRT is a legal trust that can be constructed to produce a predictable annuity payment each year or take advantage of investment growth opportunities with income payments based on a growing trust principal.

Charitable Bequests

Next to writing a check, perhaps the best known vehicle for philanthropy is the **bequest**. A bequest makes it possible for you to make your wishes known today without relinquishing needed assets during your lifetime. Bequests can transfer a specific asset. You can also give a percent of the estate after costs and taxes. Another good idea is to transfer property to a testamentary trust.

If you would like more information on the strategies discussed here, or any other planning options, we invite you to contact us.

Highland United Methodist Church
Endowment Fund
1901 Ridge Road
Raleigh, NC 27607
Tel (919) 787-4240

(This information is provided as an educational service. Personal advisors should always be consulted in the planning process.)



**Expressions
of
Philanthropy**
An Overview of Giving Options

**Endowment
Fund**
**Highland United
Methodist Church**
Raleigh, NC

Ways To Make Your Charitable Contribution

Each year it is the generous spirit of friends that makes our work possible. This generosity is evident in countless ways, including gifts of financial support. And while *giving* may seem a straightforward discussion, there are many ways that friends choose to make a gift. Some careful planning will ensure that your objectives are met. This brochure is designed to provide an overview of some of the most common ways to make a gift and the benefits of each.

Current Gifts

The most common way to make an immediate gift is by **writing a check**. This type of cash gift provides immediate liquidity for charity and generates a charitable income tax deduction for the donor in the year of the gift.

Giving **stocks or bonds** may provide greater tax benefits. If you have owned securities for more than one year and the fair market value has increased since you purchased them, you can avoid capital gains tax and receive a charitable income tax deduction equal to the fair market value.

A gift of **real estate** that has been held for more than a year also has the advantage of providing you with a charitable deduction based on the current fair market value, as well as bypassing capital gains tax on the appreciation.

Selected *artwork, books and antiques* are examples of gifts of **personal property**

that can, in certain situations, be an appropriate gift. However, to ensure that any tangible personal property qualifies for a favorable charitable tax deduction, contact our Office of Planned Giving prior to making a gift.

Planned Gifts

Sometimes called *deferred* gifts, the term *planned gifts* refers to specific strategies that (in most cases) benefit charity at some point in the future while offering immediate benefits to the donor.

The gift of a paid-up **life insurance** policy is a good example. By designating a qualified charity as owner and beneficiary of such a policy, you will receive a charitable income tax deduction that, in most cases, is equal to your cost basis in the policy.

Gifts That Generate Income For You

The benefits of planning compound when you utilize one of a number of strategies that *generate income* as well as provide a number of other attractive benefits.

The **Gift Annuity** is a great example of how a gift generates income for the donor. This is actually a contract between a donor and a charity that is part gift and part annuity. In addition to the annuity payment, the donor receives a charitable income tax deduction and a portion of each annuity payment may be tax free.

The **Deferred Payment Gift Annuity** in which annuity payments are delayed for a number of years, offers rates that make it an attractive supplement to retirement income.

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More Information . . .

I have reviewed your brochure on Expressions of Philanthropy and

- ☐ I would like to speak with someone who can provide additional information.
- ☐ I would like to receive more information on other charitable tax planning options.

Name _____

Street _____

City _____

State / Zip _____

Home Phone _____

Work Phone _____

E-mail _____

(Please complete and return to the address indicated on the back panel. All inquiries are treated in complete confidence.)