



A Guide to GIFT PLANNING



Charitable giving that helps you achieve your personal, financial and philanthropic goals



Ways to Give



• Annual Giving

An ongoing show of financial support for charity with regular, annual gifts

• Major Giving

A significant show of support for charity with a sizable gift

• Planned Giving

Also called "gift planning." A way to leave assets to charity that provides you and/or loved ones with current and future benefits

• Blended Giving

A combination of a major and planned gift

The information in this guide is not intended to serve as tax, legal, investment or financial advice. Gift results may vary. Consult your personal financial advisor for information specific to your situation.

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Charitable Bequest

- A gift left to charity when someone passes away. A bequest is one of the easiest ways to leave a legacy and support the causes you care about.

You can leave a bequest to support our work by making a promise in your will, living trust or codicil. Certain assets, such as an insurance policy, retirement account or bank account, can be left by way of a beneficiary designation. With a bequest, or beneficiary gift, the asset is transferred to charity once the donor passes away.

BENEFITS OF A CHARITABLE BEQUEST

Bequests are flexible

You can leave a bequest of a specific dollar amount, a percentage of your estate or even a specific asset, such as a retirement account.

Bequests are empowering

With a bequest, you retain full ownership and control of your assets during life — you can use your assets as you see fit and can even sell the asset if you need to.

Bequests can be strategic

Bequests can help you establish priorities. You could name a loved one as a primary beneficiary, but if that person is no longer living, your estate plan could leave the asset to our organization as a contingent beneficiary.

Bequests may save on taxes

If your estate will be subject to estate taxes, a charitable bequest will reduce the amount of tax due, including by generating a charitable estate tax deduction.



IDEAL FOR:

Anyone. Bequests are gifts that anyone can make.

LEARN MORE

If you need sample bequest language to provide to your attorney, please contact:

Edith Glassey, Chief Philanthropy Officer at (619) 487-0608 or at edith.glassey@servingseniors.org

Dave Ricks, Director of Donor Relations at (619) 487-0724 or at dave.ricks@servingseniors.org



OBJECTIVE
You want to make a gift to our organization but are looking for a way to give that provides you with flexibility if your needs change.

SOLUTION
The right solution could be a charitable bequest. You can establish a gift in your estate plan today while preserving your savings for tomorrow.

BENEFITS
With a bequest, you can support the causes you care about while saving on potential estate taxes and retaining assets to meet your future needs.

IRA Charitable Rollover

- You can use your retirement assets to support the causes you care about. An IRA rollover gift will allow you to support our work today while providing tax savings.

An IRA rollover gift allows you to support a favorite cause by making a gift to our organization directly from your IRA. It's a great alternative to taking the taxable "required minimum distribution" (RMD), especially if you do not want or need extra income or if you have reached your deduction limit.

ELIGIBILITY

To make a rollover gift, you must be at least 70½ years of age.

GIFT LIMITS

Eligible individuals can give up to \$100,000 per year directly from an IRA. The gift amount will count against the donor's RMD.

TAX CONSIDERATIONS

While many IRA distributions are taxable, rollover gifts are not. An IRA rollover gift also allows you to give from "pre-tax" assets.

HOW THE GIFT IS MADE

Contact your IRA custodian and tell him or her you want to make a "qualified charitable distribution." Or, call our office and we can help.



IDEAL FOR:

Someone 70½ or older who would like to use their IRA to support their favorite causes.



OBJECTIVE

You are required to take your RMD but don't need the income.

You are looking for an easy way to give in support of our mission.

SOLUTION

An IRA charitable rollover gift will allow you to support our work.

BENEFITS

You avoid tax on the gift to us, your gift counts against your RMD and you get to see the impact your gift is making.

Charitable Remainder Trust

- The Charitable Remainder Trust (CRT) is funded with cash or property. It makes payments for a lifetime or a specified term of years to people you select, then distributes the remainder to charity.

You transfer cash or appreciated property to a CRT. A CRT is a tax-exempt trust that can sell the property without paying capital gains tax and can invest the proceeds to pay you or loved ones income.

DURATION

Payments from the trust 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 out a fixed amount each year. A Charitable Remainder Unitrust (CRUT) pays out a percentage of the trust value each year.

TAXATION OF PAYOUTS

Most CRT payouts are taxed to the beneficiary as ordinary income and/or capital gains.

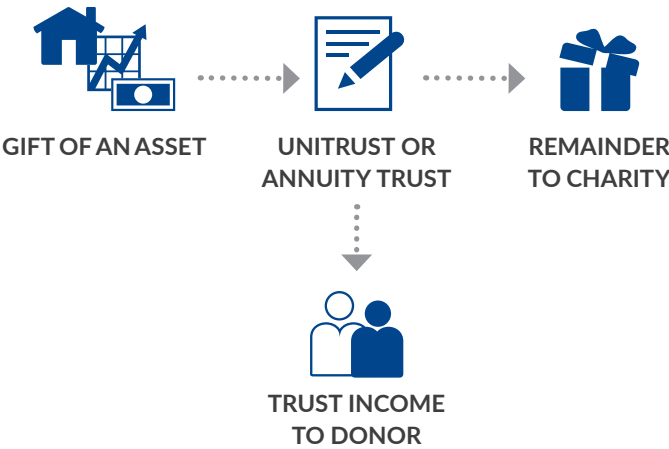
SUPPORT YOUR FAVORITE CAUSES

After all of the income payments have been made, the trust assets are transferred to us to support our work.



IDEAL FOR:

Someone with cash or appreciated property of at least \$100,000 in value who desires income and tax savings.



OBJECTIVE

You desire to change appreciated property that produces little or no income into an income stream without paying capital gains tax on the sale of the property.

SOLUTION

You contribute appreciated property to a Charitable Remainder Trust that will sell the property tax free and make payments for the beneficiaries' lifetime or a specified term of years.

BENEFITS

Bypass Gains
Trust sells property tax free.

Increased Income
The trust pays a percentage of its value to the trust beneficiaries.

Tax Deduction
You receive a current federal income tax deduction.

Family Charitable Lead Trust

- The Family Charitable Lead Trust (CLT) is funded with cash or property and makes payments to our organization for a specified period, then distributes the trust property to beneficiaries you select.

You contribute property to a trust that will make distributions to charity for a number of years and ultimately distribute the property to your family.

DURATION

A CLT can last for the lifetime of one or more beneficiaries or for a specific term of years.

ANNUITY VS. UNITRUST PAYOUT

Each year, the trust pays either a fixed amount (CLAT) or a percentage of the trust assets (CLUT) to our organization.

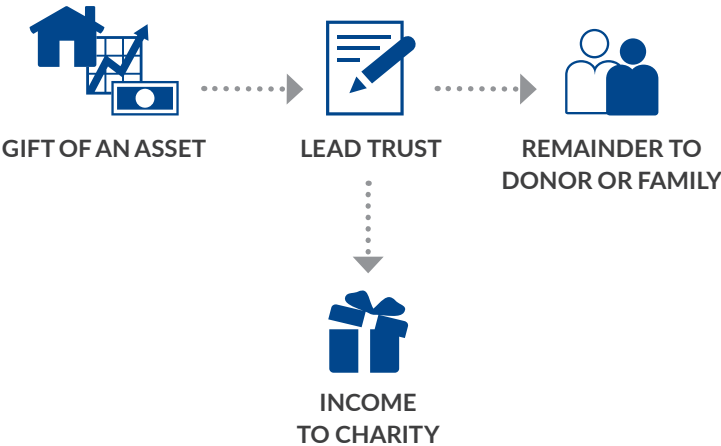
LEAD TRUST TYPES

A family CLT receives property and distributes it to the non-charitable beneficiaries at the end of the term. A gift tax deduction is available to a donor who creates a family CLT. The donor's estate receives an estate tax charitable deduction if the CLT is established at the donor's death.



● **IDEAL FOR:**

Someone who wants to pass specific property with growth to family at reduced gift or estate tax costs. Ideal for a person with a taxable estate.



OBJECTIVE ●

You want to make a gift to charity for a period of time, then transfer an asset to family (and pay minimal gift or estate taxes).

SOLUTION ●

You contribute property to a trust that will make distributions to us for a number of years and ultimately distribute the property to your family.

BENEFITS ●

Appreciation to Family
You give property to a Lead Trust and that property plus growth passes to your family with no additional tax.

Tax Deduction
You receive a federal gift or estate tax deduction for the present value of the payments that go to charity.

Life Estate Reserved

- Our organization accepts a gift of property — either a personal residence or farm — and you retain the right to use the property for your lifetime.



• IDEAL FOR:

Someone who wants to remain living in his or her home and desires a current income tax deduction.

You execute a deed transferring a house or farm to us. In the deed, you retain a “life estate” that grants you the right to use the home for life. At the time of the gift, you and our organization enter into a Maintenance, Insurance and Taxes (MIT) agreement.

DURATION

The Reserved Life Estate typically lasts for the life of the donor.

DEED RESTRICTIONS

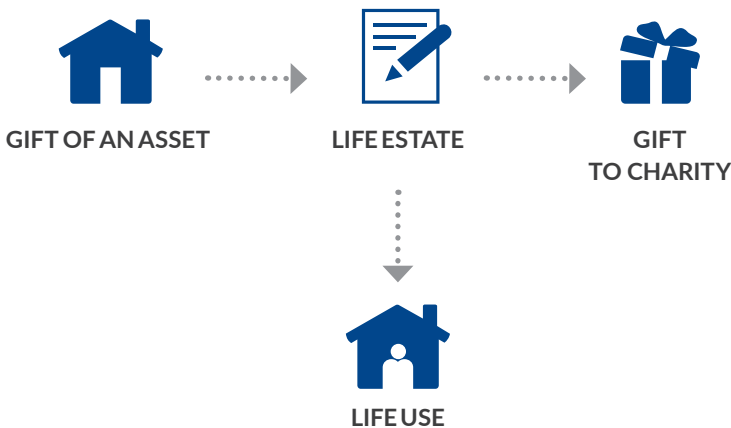
The deed of the remainder interest to our organization must not be restricted.

MORTGAGE

It is possible for you to make a gift of a remainder interest even though there is a mortgage on your property.

MIT AGREEMENT

You agree to pay the costs related to maintenance, insurance and taxes.



OBJECTIVE

You may desire to leave your house or farm to us in your estate plan, but you want to continue to live on the property and want tax benefits now.

SOLUTION

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

BENEFITS

Tax Deduction

You receive a 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 for the rest of your life.

Gifts of Retirement Assets

- You leave your retirement assets to benefit our organization when you pass away. Your children save on income tax.

Your gift of retirement assets would include all or part of your IRA, 401(k), 403(b), pension or other tax-deferred plan.

SMART TAX PLANNING STRATEGIES

Retirement assets are not always great assets to leave to children or other heirs. If you have a taxable estate, these assets may be subject to estate taxes. Your heirs will also have to pay income tax on the inherited value of the IRA. For that reason, many people leave stock, bonds, and real estate to their heirs and give their IRA or other retirement assets to an organization like ours.

LEAVING RETIREMENT ASSETS TO CHARITY

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

LEAVING RETIREMENT ASSETS FOR INCOME

Another option is for you to leave retirement assets to a trust that pays income to a loved one after you are gone. You can designate a charitable remainder trust as the beneficiary of your retirement assets and the trust will provide for your loved ones.



● **IDEAL FOR:**
Someone who has acquired retirement assets as well as other after-tax assets such as stock or real estate



OBJECTIVE

You want to provide for your family but also support our work with the best tax planning strategy.

SOLUTION

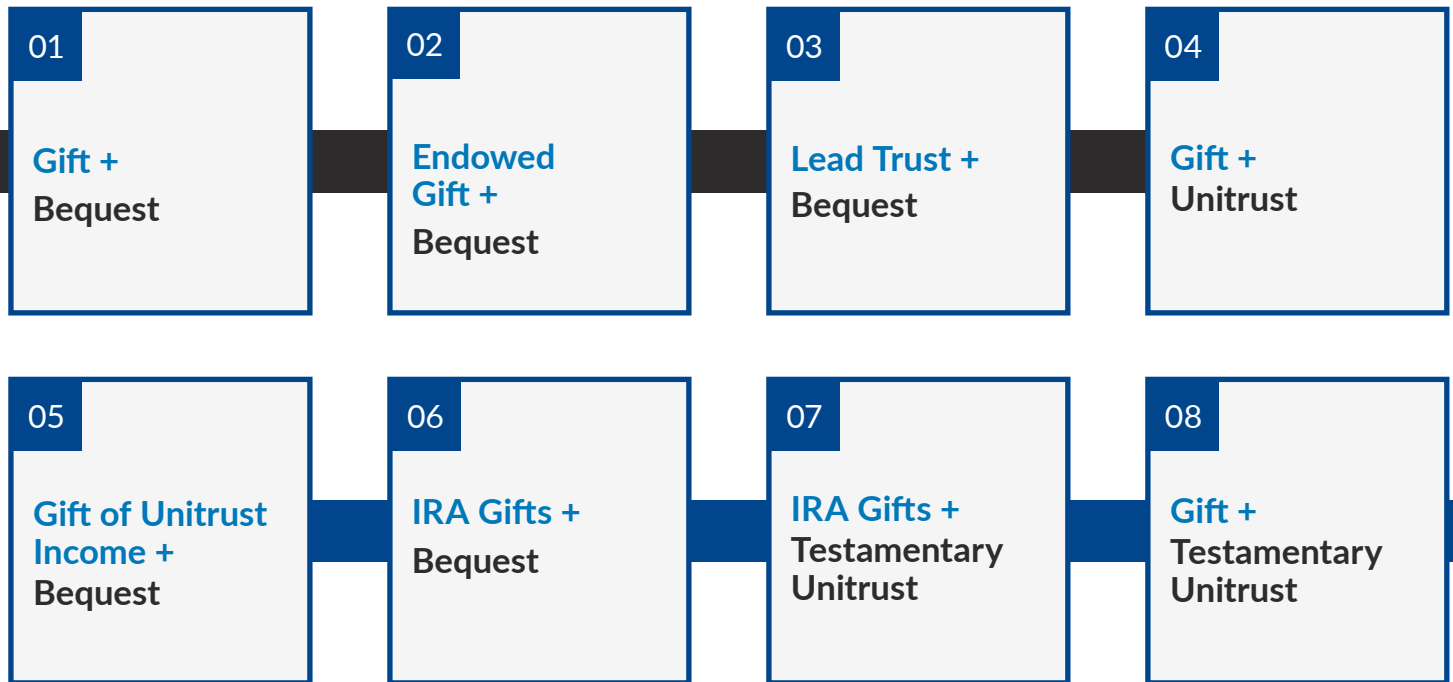
Leave pre-tax assets, which are assets that were never subjected to income tax such as a retirement plan to us while leaving other assets to family.

BENEFITS

Your estate will benefit by avoiding estate taxes on the amount of the gift to our organization, and your family will avoid income tax when they inherit post-tax assets instead of retirement plan assets.

Blended Gifts

A blended gift combines a current gift and a planned gift. It's a way for you to support the causes you care about and make your giving go further. Here are the 12 most common blended gifts:



A current gift creates the opportunity for you to see the impact of your giving today. Adding a planned gift to your current gift makes it possible for your giving to make a difference in the future.

The most popular planned gift remains the charitable bequest. So, it should not be a surprise that the most common blended gift is a combination of a current gift (often a major gift) and a charitable bequest.

Why is the gift and bequest combination so appealing to donors?

LEGACY

If you make annual gifts, please also consider continuing your giving by leaving a gift (bequest) in your will or estate plan.

FLEXIBLE

Bequests are a flexible way to give. If your circumstances change, you can change your mind and update your will or trust.

TAX BENEFITS

You will enjoy tax savings with an outright gift and avoid estate tax with the bequest (if you have a taxable estate).

Thank you for your interest in our Guide to Gift Planning. Before making a planned gift to our organization, please seek the advice of your personal legal, tax, estate planning, financial or investment advisor to ensure any gift you are considering is appropriate given your personal circumstances. If you or your advisor have questions, our expert staff is available to assist you.



Dave Ricks
Director of Donor Relations
(619) 487-0724
dave.ricks@servingseniors.org



Edith A. Glassey
Chief Philanthropy Officer
(619) 487-0608
edith.glassey@servingseniors.org