

CREATIVE GIVING TECHNIQUES

CHARITABLE BEQUESTS – The will is the most commonly used method of making charitable gifts at death. A bequest is private, changeable at any time, and does not deprive the donor of any asset or income they may need. A bequest can be made in memory of the donor or a loved one. It can be designated for a specific purpose, with the approval of the vestry. A donor can tithe their estate (i.e. 10% of the estate), leave a specific dollar amount, a specific asset, or even the remainder after providing for relatives and friends.

BENEFITS

- ❖ **Continued use and control of assets during life**
- ❖ **No reduction in income**
- ❖ **Provide support for favorite ministries**
- ❖ **Estate tax deduction**

CHARITABLE GIFT ANNUITIES – A gift annuity provides income and tax benefits to the donor during his or her lifetime and then benefits the local church or ministry selected by the donor after his or her lifetime. The annuity pays a guaranteed fixed dollar amount to the donor. This amount never changes. Charitable Gift annuities from the Episcopal Church Foundation can be established for gifts of \$5,000 and above for persons at least 55 years of age. Donors can fund annuities with cash or with a donation of stock, bonds or real estate.

BENEFITS

- ❖ **Guaranteed fixed income for life**
- ❖ **Income partially tax free**
- ❖ **Income tax deduction**
- ❖ **Bypass of capital gains taxes**
- ❖ **Estate tax deduction**



CHARITABLE REMAINDER TRUSTS – These trusts can be written to provide the donor with income for life payable as a fixed dollar amount or as a fixed percentage of the value of the trust. The donor avoids capital gains taxes if highly appreciated assets used to fund the trust and also receives a current income tax deduction for a substantial percentage of the value of the trust. Funds placed in the trust are removed from the donor’s estate for federal estate tax purposes.

BENEFITS

- ❖ **Income payments for life (either fixed or variable)**
- ❖ **Bypass of capital gains**
- ❖ **Income tax deduction**
- ❖ **Estate tax deduction**
- ❖ **Potential for increased income during your lifetime**

USUFRUCT/LIFE ESTATE ARRANGEMENT – Through this method, a donor can donate a home and continue to live in it for his or her lifetime. The donor receives an immediate income tax deduction for a substantial percentage of the value of the home. This type of gift is generally most attractive to people 65 or older. The value of the home will also be removed from the donor’s estate for federal estate tax purposes.

BENEFITS

- ❖ **Income tax deduction**
- ❖ **Continued use of home**
- ❖ **Estate tax deduction**

LIFE INSURANCE is another way to make a gift. You can purchase a new policy and make your parish (or other ministry) the owner and beneficiary; the premiums can be made as contributions to the parish (or other ministry) and become tax deductible. You may also make your parish (or other ministry) the owner and beneficiary of an existing policy or a partial beneficiary of the proceeds of an existing policy. This can be done by simply completing a new beneficiary form.

BENEFITS

- ❖ **Tax deduction for premiums on new policies**
- ❖ **Easy to designate new beneficiary on existing policies**

This material is for informational purposes only. Please consult your professional advisor for specific guidance in your individual situation.

