



## *Eleven Ways to Give to [your church's] Permanent Endowment*

[www.umchurchlegacy.org](http://www.umchurchlegacy.org)

In addition to annual pledges, many church members choose to provide lasting support for the XYZ UM Church through a planned gift to XYZ UM Church's Permanent Endowment Fund... In the past, XYZ UM Church has received contributions of [appreciated stock, real estate, life insurance, bequests and other gifts] that matched the congregant's personal goals and helped to support the church's mission. XYZ UM Church appreciates the generosity of those individuals and hopes that you will consider including XYZ UM Church in your long-range financial plans. Enclosed is information about 11 Ways you can make a planned gift to the Endowment Fund of XYZ UM Church.

1. **GIFT OF CASH** • Cash gifts may be deducted for one year or over six years, up to 50% of adjusted gross income. For example, on a \$100,000 cash gift in a 39/6% tax bracket, may save \$35,000 in taxes. XYZ UM Church invites cash pledges to its endowment that are payable over a period of years.
2. **APPRECIATED STOCK** • Appreciated stock (held more than one year) makes an excellent gift. You may avoid capital gain taxes and receive a charitable tax deduction for the full market value of the stock.
3. **BEQUEST THROUGH WILL** • Your Last Will and Testament is your last opportunity to make a lasting gift to the Church and remind your loved ones of you faith. You may make a bequest by providing a dollar amount, specific property, a percentage of your estate, or what is left (remainder). Such a designation may reduce your estate taxes. In many cases a simple codicil to your Will can add XYZ UM Church and does not require rewriting your Will.
4. **CHARITABLE REMAINDER TRUSTS (ANNUITY AND UNITRUSTS)** • Members may benefit from lifelong payments from such a trust. The member selects the rate of return from these income arrangements and may choose a fixed or fluctuating annual payment to be made to the designated parties as long as they live. Capital gain taxes may be minimized, and you may receive a tax deduction based on the age of the income recipient and the rate of return.
5. **CHARITABLE LEAD TRUST** • In a charitable lead trust, assets (generally cash or securities) are transferred to a trust which pays income to XYZ UM Church Endowment Fund for a number of you determine. At the end of the designated time period, the trust terminates and the assets revert to you or are given to the person(s) you name. This trust helps lower estate and gift taxes that would otherwise be due on the value of assets. This charitable vehicle is especially attractive if a member wishes to leave assets to children or grandchildren in the future.
6. **CHARITABLE GIFT ANNUITY** • In exchange for a gift of cash, marketable stock, or securities, XYZ UM Church will pay you or you and your spouse, income for life. In addition, you may receive a substantial income tax deduction in the year of the gift, and

a portion of the annual payment you receive is not taxed. Upon the death of the beneficiaries, the remainder goes to XYZ UM Church endowment fund.

7. DEFERRED CHARITABLE GIFT ANNUITY • A deferred charitable gift annuity is similar to a charitable gift annuity, but payments begin at some future date. Your tax deduction and annual rate of return on your annuity increase the longer you wait to start payments. This can be an excellent retirement planning vehicle to implement during prime income producing years.
8. GIFT OF LIFE INSURANCE • Life insurance can be another way to make a substantial future charitable gift. Gifts of life insurance can be made either by designating XYZ UM Church as beneficiary or by irrevocable assigning ownership of the policy to XYZ UM Church. Beneficiary designations alone produce no income tax deductions but may remove the proceeds from the donor's taxable estate upon death. Assignment of the policy to XYZ UM Church may create a current income tax deduction for the present value of the policy. In addition, annual income tax deductions may be allowed for any premiums the donor voluntarily continues to pay.
9. RETIREMENT ACCOUNTS AND PENSION PLANS • Retirement plan assets may be subject to taxation levels that minimize their benefit to heirs if tax-wise planning is not arranged. Retirement plans (IRAs or company plans) that go beyond the comfortable support of you or loved ones may be given to XYZ UM Church with proper beneficiary designation and planning.
10. GIFTS OF REAL ESTATE • For some individuals, a gift of land, a house, or a vacation home is a preferred way to make a gift. You may receive a tax deduction for the full market value, minimize capital gain taxes, and remove the asset from future estate taxes. One option to an outright gift is to give real estate and retain a life tenancy. This can provide a current income tax benefit. You continue to live there, maintain the property and even receive any income it generates. At your death the property reverts to XYZ UM Church.
11. CREATIVE COMBINATIONS • In planned giving one size does not fit all. Depending upon your unique circumstances and gift objectives, you may use one or even several planned giving vehicles to achieve the goals best suited for you. There are other planned giving strategies beyond the methods mentioned here which may be right for you.

Many of these gifting possibilities may be complex and require the consultation of professional advisors. It is important that your advisors explain the benefits of these plans and how they can fit into your estate and financial planning.