We can be designated as the beneficiary of the policy, while you retain the right to change the beneficiary at a later date, and otherwise retain your ownership of the policy. In this instance, no current federal income tax charitable deduction is available to you since you would still be the owner of the policy. However, at the time of your death, your estate would receive a charitable deduction when the proceeds of the policy are paid to us.

To receive a current federal income tax deduction, you would need to designate us as both the owner and the beneficiary of the life insurance policy. The deduction will be approximately equal to the policy's cash value or your cost basis.

5. GIFTS THROUGH YOUR WILL

If your estate is subject to the federal estate tax, a charitable bequest can save significant tax dollars. We can be named as a beneficiary in your will in any one of a number of ways.

Outright bequest: You can specify an outright gift of cash, securities, real estate or tangible personal property. If you bequeath dollars, you may wish to bequeath a certain fraction or percentage of your estate to us, rather than a fixed sum; this serves as a hedge against both inflation and unforeseen shrinkage - and assures your heirs their proportionate share.

Residual bequest: A residual bequest provides that, after specific bequests are made to named individuals, we receive the "residue" or the amount remaining in the estate.

Contingent bequest: A contingent bequest means that we will receive certain assets only if a named individual does not survive you. For example, you could provide for us to receive a bequest only if your spouse does not survive you. Such a provision recognizes the need to provide first for the security of others.

Testamentary trust: Such a trust can provide income for another person or persons for life, with the principal ultimately passing to us.

Codicil: If you already have a valid, up-to-date will, you can have your attorney prepare a codicil to your will naming us as a beneficiary without having to rewrite your entire will.

FOR ADDITIONAL INFORMATION

It is not possible in one brochure to discuss everything you need to know about planned giving. Always check with your accountant, attorney, or tax advisor for additional information on how general rules apply to your particular situation. We appreciate your interest and support and would be pleased to provide additional information.

Five Planned Giving Options

A brief guide to the tax savings

As you consider your financial and estate planning, we hope you will also consider us. Not only can we put your gifts to good use, we can also save you tax dollars through the charitable deduction and the avoidance of capital gains.

Here are five of the best planned giving options for your consideration.

1. CHARITABLE REMAINDER UNITRUSTS

A charitable remainder unitrust allows you to make a substantial gift to us and yet continue to receive income from the assets contributed. Your gift is administered separately as a trust. At the time the trust is created, you give instructions to the trustee to pay you or another designated beneficiary(ies) income for life. You may decide, within certain limitations, the rate of return you will receive on the trust's assets. After the life income payments to you and/or the other designated beneficiary(ies) terminate, we receive the remainder of the assets.

With the unitrust, you receive annually a fixed percentage of the fair market value of the trust’s assets, as those assets are revalued annually. Thus, the income paid out will vary from year to year based upon the performance of the trust's investments. The fixed percentage paid out must be at least 5%. Thus, if you contribute stock that pays a low dividend, the unitrust can sell it and reinvest in assets with a higher income yield -- and that higher income can be passed along to you.

Upon the creation of a unitrust, you receive a substantial federal income tax charitable contribution deduction based upon the age of the beneficiary(ies), the rate of return specified in the trust, and other factors. The older the beneficiary(ies), the higher the charitable deduction.

Another benefit of the unitrust is that you generally incur no capital gain on the transfer of appreciated assets to fund the trust.

2. CHARITABLE REMAINDER ANNUITY TRUSTS

Annuity trusts are very similar to unitrusts except that, with an annuity trust, the life income beneficiary(ies) receive annually a fixed dollar amount, rather than a fixed percentage of the assets in the trust. You may stipulate, for example, that you receive $5,000 (or some other fixed sum) each year as a result of setting up a $100,000 annuity trust. This form of trust is appropriate for those who prefer a fixed annual income, unaffected by changes in the stock market, interest rates, and the like.

As with the unitrust, the annuity trust provides a substantial federal income tax charitable contribution deduction. Also, you generally incur no capital gain on the transfer of appreciated assets to fund the trust.

3. CHARITABLE LEAD TRUSTS

The creation of a charitable lead trust allows you to pass significant assets on to younger family members with little or no gift or estate tax payable to the government. Under this arrangement, you transfer assets to a trustee who would then make annual payments to us for a specified number of years, after which time the assets remaining in the trust would go to your children, grandchildren, or others. For individuals in high estate and gift tax brackets, this trust means the opportunity to transfer substantial assets to younger generations, completely or significantly free of transfer taxes.

Example: You could create a charitable lead trust which would pay us 6% of the fair market value of the trust each year for 20 years. At the end of the 20-year period, the trust would terminate and the trust principal remaining (including any asset appreciation) could be distributed to your children or grandchildren.

4. GIFTS OF LIFE INSURANCE

Life insurance provides another excellent means for making a gift to us. This can be done either by purchasing a new life insurance policy or by contributing a policy which you currently own, but no longer need.