

# Legacies



**Premiere: Assembly Edition—April 24-26, 2008**

Gift planning ideas for members and friends of the Christian Church (Disciples of Christ) in West Virginia

## From the Regional Minister

Dearest Church,

In my basement (my man cave as the girls refer to it – always in laughter) hangs one of my most valued possessions. It is not worth much materially, as it is only a certificate in a rather cheap frame. But the meaning of it to me is rich. It is a certificate that declares to all that Jennifer and I are members of the Fiers-Brown Society. This society has been established in the church by the Christian Church Foundation, and all who have made planned gifts or have made estate plans that include the church may become members of the society.

Jennifer and I are not rich, although I cannot imagine anyone more blessed than I, but we did establish a permanent fund with the Christian Church Foundation at an important point in our lives. When our first child, Madison Ann, died from a premature birth, the church came to us in powerful ways. The prayers and pastoral touch showed the love of Christ as I had never seen before. In our broken state, the church came to us and loved us. Some even sent monetary gifts. These were touching, too.

We decided to take these monies and add to them, and the Madison Ann Allen Fund was established through the Christian Church Foundation. Every year a check is sent to our region for ministry from this fund. One is also sent to Week of Compassion.

These checks represent a great deal to me. They are a sign of the church's love. They are a sign to the world that Madison's life continues. They are a reminder to me of the power of the Risen Christ to heal us and to bring us back to life when we think we are dead. They certainly bless the church and make ministry possible. Ministry is needed in the world.

I invite you to come over and see our certificate sometime. I invite you to consider making a planned gift in your own life. I invite you to consider what ministries matter to you, and would welcome chatting with you about ways to support them forever. Our Region's witness and ministry matter deeply in the world. They matter to me and I know that they matter to you also.

God Bless,  
Thaddaeus

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## A Legacy that Provides You with Payments for Life

If you've been experiencing the bumpy ride of the stock market, or trying to make ends meet while living off the interest of certificates of deposit that pay a fraction of what they did years ago, now may be the time for you to consider making a planned gift that will provide you with a stream of payments for life. That's right: You can make a charitable gift that will pay you for life.

There are two basic types of life-income gifts: the charitable gift annuity and the charitable remainder trust.

The gift annuity works like a commercial annuity, except part of your gift (of either cash or stock) qualifies for a charitable tax deduction. In exchange, you get a set amount of the original gift as a payment for life; the percent is

determined by your age at the time the gift is made. Furthermore, part of the payments off the gift is free of tax.

A charitable remainder trust is a little more complicated, and can deal with stocks and bonds, real estate and other appreciated assets. The assets are donated into a charitable trust, with the trust making annual payouts based on the annual market value.

One of the best things about these types of planned gifts is that the Christian Church in West Virginia and/or your home congregation can be the residual charitable beneficiary. The residual at the time of your death goes to the regional church in your name.

Because of the legal nature of these gifts, we recommend that you contact the Christian Church Foundation, our denomination's general ministry devoted to planned giving, at (800) 668-8016. Foundation staff members are experts in this area and can, confidentially, help you make the kind of gift that is right for you and the church.

# The Charitable Gift Annuity

When most people consider making a substantial charitable gift, their main concern lies not so much in parting with their cash or other assets but in giving up the income those assets generate. Many are delighted to learn there are a number of ways they can make substantial charitable gifts yet receive spendable cash for themselves.

## Simple & Guaranteed

**T**he Charitable Gift Annuity is basically a simple contractual agreement. You can make a gift through the Christian Church Foundation, our church's general ministry that deals with these types of gifts, and receive guaranteed lifetime payments for yourself or your designated beneficiary or beneficiaries. In return for a gift of a specified amount, the

Foundation will pay you, or whomever you designate, a stream of payments for life. The payments are a fixed amount and generally depend on the number (up to two) and age(s) of the beneficiary(ies).

For instance, payments would be higher for an annuity payable for life to one person, aged 70, than to a couple, both 70, because of the longer life expectancy of the couple. In addition to the payments from a gift annuity, you receive an income-tax deduction for a portion of the gift.

**Example:** John and Mary, both 70, make a gift of \$10,000 in return for an annuity of \$590 per year as long as either of them lives. The gift generates a current income-tax deduction of \$3,380. Better still, a portion of the annual payment is tax-free. For the remainder of their life expectancies, \$329 of the \$590 annual payments John and Mary receive will be tax-free.

### \$10,000 Gift Annuity

Age	Annuity Payment	Tax-Free Portion*	Charitable Deduction
60	\$570	\$280	\$3,358
65	\$600	\$319	\$3,776
70	\$650	\$377	\$4,149
75	\$710	\$449	\$4,603
80	\$800	\$549	\$5,051

\* pro rated through life expectancy

In addition to all its other benefits, the gift annuity offers the opportunity to reduce capital-gain tax when long-term, appreciated property is used to fund it; the reduced amount of tax that is payable can be spread over the donor's life expectancy.

**Example:** Fred, 72, owns stock worth \$10,000 that he bought two years ago for \$5,000. If he sells the

stock, he will realize a gain of \$5,000 and will owe \$750 in capital gain tax at the 15% rate.

Instead, Fred uses the stock to fund a gift annuity that will pay him \$670 per year for life. By doing so, Fred has to recognize only \$2,827 of gain, and he can spread that over his life expectancy of 14.1 years, at a rate of \$201 per year. Plus he receives a charitable deduction of \$4,345.

Because of their simplicity, gift annuities typically do not require a great deal of time or expense to complete, making them suitable for gifts of all sizes. Sometimes a gift annuity can even be the best choice for the largest of gifts. At the Foundation, the minimum for a gift annuity is \$2,500; the largest underwritten by the Foundation was more than \$1 million.

And the Charitable Remainder Beneficiary is....

**C**haritable Gift Annuities written through the Christian Church Foundation give the donor wide latitude in the charity named as the remainder beneficiary after the annuitants have died. The choices can include: an outright gift to the Christian Church in West Virginia, to the local congregation; or a transfer into a named permanent fund at the Foundation that makes distributions to the cause(s) identified by the donor.

Foundation policy requires that a minimum of 51% of the residual must go to a Disciples cause, allowing the donor to also support other qualified charities as part of their philanthropic legacy.

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## Building a Retirement Nest Egg

**A**s we have seen, the gift annuity is a wonderful means of generating a current stream of revenue. But not everyone wants — or needs — an additional stream of payments right now. In fact, many people are looking for ways to build up future retirement resources.

A special kind of annuity, the deferred-payment gift annuity, lets you do just that. It allows you to make a current gift, delay receipt of the payments until some preselected future date, and still qualify for a charitable income-tax deduction now. For retirement-planning purposes, this date can be selected to coincide with your anticipated date of retirement.

Deferred gift annuities have become increasingly attractive to individuals who are already making the maximum allowable contributions to their qualified retirement plans and are searching for tax-deductible ways to supplement their retirement income — and make a tax-deductible gift to the church, all at the same time.

Consequently, many people are beginning to discover the retirement-planning potential of deferred gift annuities. Deferring receipt of the annuity payments produces two very important results:

- The amount of the charitable deduction is significantly increased.
- The amount of the annuity payment increases

substantially.

**Example:** Tom, 45, would like to find a way to supplement his retirement income and support the future work of his region's camp program. Tom discovers that he can put \$10,000 into a deferred gift annuity and generate a current income-tax deduction of about \$4,455 — 45% of the amount of the gift. When Tom is 65, the annuity will begin paying him \$1,590 each year for life — 15.9% of his original contribution.

What's more, this is something Tom can do year after year to help build a retirement nest egg. And he can change the charitable remainder beneficiary to include additional church ministries, including his congregation.

If Tom were to continue to make annual contributions of \$10,000 through the age of 64, he would begin to receive \$20,370 in annual payments at the age of 65. Along the way he would have amassed income-tax deductions of more than \$83,395. The tax savings from these deductions alone could amount to \$29,188.

This kind of plan may be particularly appealing to people who have several years before retirement. If you are in that category and do not need additional income now but could benefit from a tax deduction while helping to secure your retirement, we urge you to consider the benefits of a deferred-payment gift annuity.

## CCF Manages 700+ Charitable Gift Annuities

**T**he Christian Church Foundation is responsible for more than 700 charitable gift annuities for annuitants still living, representing a current value of about \$20.4 million.

While the Foundation officially estimates about 50 percent of the initial gift that funds the gift annuity will be available to the charitable beneficiary, historically that number has been 70 to 75 percent. There have been exceptions when the charity has received significantly less after the annuitant's death, as have there been cases where the charity has received in excess of 100 percent of the initial gift.

In addition to development officers who work with donors in establishing the gift annuities, the Foundation has a team of accountants who oversee the gift annuities, including handling the appropriate tax forms, making the payments to annuitants and complying with gift annuity regulations. Another team oversees the investments of the gift annuity pool, working to grow the funds so that payments are honored and a gift remains for the charity.

*"I am grateful for the sense of security that these gift annuities give me, and for the knowledge that some day they may help give a little security to the work of Christ's church."*

— Mrs. Myra L. Gabbert, from a letter written in 1970 when she completed one of what would become 13 charitable gift annuities during her lifetime. She died in 1987, with the residuals from her annuities going into a permanent fund at the Foundation.

### The Christian Church in West Virginia & the Christian Church Foundation

We have a unique relationship with the Christian Church Foundation. The Foundation is how Disciples make planned gifts that benefit the donor's favorite ministries. The Foundation isn't about raising money for itself; instead, it is a donor-directed type of foundation that connects donor's passions with their resources. We would encourage you to contact Rev. David Chafin, Associate Regional Minister at (304) 417-1248, or the Foundation at (800) 668-8016 and discover ways you can leave a legacy to our region, your congregation or other church ministries

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## Be Deliberate in Planning

The Apostle Paul, in his second letter to the church at Corinth, writes: “So I thought it necessary to urge the brothers to go on ahead to you, and arrange in advance for this bountiful gift that you have promised, so that it may be ready as a voluntary gift and not as an extortion.” (2 Corinthians 9: 5)



Paul indicates it is not enough to intend to be a good steward. You must plan, and it is by carefully making provisions for a planned gift and implementation of that plan that you will be able to enjoy the fruits of Christian stewardship!

Paul admonishes us to be deliberate in considering the mission and ministry of the church for which the gift will be used. In the case of the Corinthians, Paul reminds them of the great purpose: to alleviate the poverty of the Jerusalem Christians and to help preserve the unity of the church.

Planning to include the Christian Church (Disciples of Christ) in West Virginia in your estate plan involves more than just contacting an attorney and drafting a will. Planning for the long-term involves thoughtful discussion with your family: spouse, children, siblings, and others with whom you have an important relationship and those who have a relationship to you and to your estate.

Ultimately, making the right decisions will allow you, the giver, to find greater joy and fulfillment in the process and completion of the gift.

**Pentecost  
is May 11**



Keep the flame alive...

Remember your  
Regional Church  
in your will!

Through the Christian Church Foundation,  
we will provide you with a free resource, *The Information Record*,  
a fill-in-the blank document in which to store vital information related to your estate.

Simply call or email our planned giving officer:

Rev. David Chafin,

(304) 428-1681 or (304)417-1248; Email: [dchafin@wvdisciples.org](mailto:dchafin@wvdisciples.org).

**Legacies** is published for friends of the Christian Church (Disciples of Christ) in West Virginia by the Region and by the Christian Church Foundation. It is designed to point out current developments that may be helpful in your tax and financial planning. Not all gift instruments are available in every state. You should consult your own attorney or financial advisors.

**Christian Church Foundation**, 130 E. Washington Street, P. O. Box 1986, Indianapolis, IN 46206

Phone: (800)668-8016 Web: [www.disciples.org/ccf](http://www.disciples.org/ccf) Email: [dwray@ccf.disciples.org](mailto:dwray@ccf.disciples.org)

**Christian Church in West Virginia**, 1402 Washington Avenue, Parkersburg, WV 26101

Phone: (304)428-1681 Web: [www.wvdisciples.org](http://www.wvdisciples.org) Email: [info@wvdisciples.org](mailto:info@wvdisciples.org)

*Please help us in our stewardship, as you are able, by advising us of any planned gifting you intend for the regional church, either through your will or other gifting instruments. All information will be held in strict confidence.*

**For more information**, contact Rev. David Chafin, at the regional office (304)428-1681 or on his mobile phone: (304)417-1248. You may email him at [dchafin@wvdisciples.org](mailto:dchafin@wvdisciples.org)