

Legacies



Fall, 2011

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

End-of-Year Giving Strategies

Being faithful as a new year approaches

Economic challenges remain on everyone's radar, but people with charitable intent can brighten their own economic forecast by incorporating the right strategies in their year-end tax planning — especially if they seek to lower their potential 2011 tax bill. Consider these steps:

- **An outright charitable gift** to a congregation or other ministry can lower your tax bill if you take the charitable income tax deduction.

Idea: Need to make a gift, but not prepared to name the recipient? The Steward's Bank, operated by the Foundation, may be a good option. This donor-advised fund allows the giver to make a charitable gift now and determine later which ministries and other charities they'd like to receive distributions. Accounts can be opened with \$10,000 or more. These type of accounts also provide a way for families to teach philanthropy to the next generation.

- **Complete a life-income gift** before the end of the year. By making a gift of cash — or appreciated assets if you want to reduce or eliminate capital gain taxes — you may be able to increase cash flow and receive a charitable tax deduction for part of your gift. Charitable gift annuities and charitable remainder trusts provide opportunities to receive payments for life or a certain number of years, with the residual going to the ministry of your choosing at the end of the contract.

Charitable gift annuities, especially for senior adults, have attractive payout rates.

Idea: Want the charitable tax deduction but don't need the payments now? Consider a deferred charitable gift annuity. The gift annuity contract is written so that the payments begin at a set future date, providing the annuitant with a higher stream of payments and the donor with a larger charitable income tax deduction.

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Charitable Remainder Trusts

You can create a charitable remainder trust by irrevocably transferring an asset (cash, appreciated securities, appreciated real estate, or tangible personal property) to a trustee such as the Christian Church Foundation. The trust can be for the lives of one or two persons or can be for a specific term of years.

The trust can pay income in a variety of ways:

- to you only;
- to any other person only;
- to any two persons; and
- to more than two persons (such as children) if the trust is for a specific number of years.

At the death of the last beneficiary, or at the end of the term of years, the remainder will go to your congregation or any ministry of the church you name. The remainder can also be used to establish a permanent endowment with the Christian Church Foundation. The annual payments from such an endowment can be sent to the Christian Church in West Virginia, your congregation, or any part of the church you choose.

Tax considerations are also important.

You will receive a charitable deduction for income tax for a portion of the trust value. The amount of the deduction varies depending on the payout percentage, the amount placed in the trust and the ages of the beneficiaries or the number of years of the

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Law Allows Charitable Rollover of IRAs until End of Year

The Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010, permits a rollover directly from an IRA to a qualified public charity – such as your congregation — until the end of 2011. The principal rules for direct transfers from a traditional IRA to a qualified public charity are that the IRA owner must be 70½ or older and that the transfer is for no more than \$100,000 each year. The transfer qualifies for the required minimum distribution.

No gifts to life-income planned gifts or donor-advised funds are permitted. Ruth Weaver, Christian Church Foundation senior vice president, said Disciples congregations could benefit from the IRA charitable giving provision. The Regional Church may also benefit in this way. This type of giving may be especially beneficial to donors who do not itemize their deductions, who live in states that do not have a charitable income tax deduction, or whose charitable gifts may not otherwise be fully deductible in the current year.

The IRA rollover is limited to \$100,000 per IRA owner each year and the IRA owner must be at least 70 1/2 on the date of the transfer. If both husband and wife have substantial IRA accounts, then up to \$200,000 per year may qualify for IRA rollovers.

Most IRA owners take the required minimum distribution during the 4th calendar quarter of each year. By transferring part or all of the required minimum distribution to charity, the donor will have a lower adjusted gross income. Gifts made directly from IRA accounts do not qualify for a charitable income tax deduction.

IRA custodians generally have IRA distribution forms that may be obtained by mail or downloaded from their websites. In order to obtain an IRA distribution, many owners will download the distribution form and select the type of IRA distribution. If the IRA custodian does not have a form, the IRA owner may send a letter to the IRA custodian similar to the following:

Dear IRA Custodian,

The Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010, permits a rollover directly from an IRA to a qualified public charity. As the owner of IRA account # _____ that is in the custody of your organization, I request that you transfer from that account the sum of \$ _____ to (congregation/region/charity name, address and Tax ID Number).

It is my intention to make a Qualified Charitable Distribution (QCD) to Favorite Public Charity from my IRA, which may fulfill part or all of my IRA required minimum distribution for this year.

This letter is sufficient authorization for you to make this QCD gift. However, if you require any further documents, please forward those to me for my signature.

Cordially yours,

IRA Owner

Information about the IRA Charitable Rollover can be found under the “News” section on the Foundation’s website: www.christianchurchfoundation.org.

End of Year Giving...

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- **Start your philanthropic endowment.** The Foundation’s named permanent fund program provides a flexible way to be philanthropic. With a starting gift of \$1,000, a donor can add charitable gifts to the named fund, and also include a final gift as part of an estate plan. With a simple form, the donor can designate the ministries and other charities where annual distributions should go. The donor can adjust the distribution list during lifetime, without having to make any changes to a Last Will & Testament.

Idea: Some donors like the idea of making regular additions to their named permanent fund at the Foundation. They are able to build up their permanent fund so it will provide growing income to their favorite causes.

To explore these or other options as you consider your own legacy giving, contact the Foundation office at (800) 668-8016 to speak to Rev. Darwin Collins.

All Saints Fund

Memorial gifts to the All Saints Fund of the Christian Church (Disciples of Christ) in West Virginia have been given to honor the lives of:

Madison Ann Allen

*by Thaddaeus B. & Jennifer R. Allen
Theodore & Amanda Feitt
Earl & Vivian Shaw*

Douglas Butts

by Jo Ann Butts

James D. Drum

by Lois Drum

Margaret Ann Green

*by Judie M. Church
Dwight & Patricia Harris*

John Grimes

by Charles R. & Gertrude Mumper

Janice Hassig

*by Fawn & Jim Price
Logan Hassig*

Dr. Coleman Hatfield

by Joel A. Potts, III

J. Thomas Higgins

by Bessie Higgins

Wilda Hassner Kappel

by Jayne L. & David T. Chafin

Florence & Oren Reneau 65th Anniversary

by William B. & Gwendolyn Allen

Marsha Simones

by Harold Simones

Karen Taylor

by Sheila Riddle

Nellie Thurman

by Judie M. Church

Lacy Tredway

by Betty Tredway

Rev. Dr. Fred Warren

*by Wilcox Wedding Party
Thaddaeus B. & Jennifer R. Allen
Carroll McCoy*

You are urged to use the panel at right to establish a Name of Honor (\$25 minimum) in the Fund, or to contribute in any amount to above Names of Honor.

For more information

on any of the topics discussed in this newsletter, simply complete, detach, and mail this panel to:

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

or

Email: dchafin@wvdisciples.org

First Name(s) _____

Last Name _____

Address _____

Phone: (____) _____

Best time to call: _____ a.m. / p.m.

Email: _____

___ **I have named the Christian Church in West Virginia** in my will.

___ **I have named my congregation** in my will.

___ **I would like the Christian Church Foundation** to contact me.

___ **I would like to establish a Name(s) of Honor** within the All Saints Fund of the Region (\$25 minimum), in memory of:

___ **I would like to contribute to the All Saints Fund** memorial for an existing Name(s) of Honor:

in the amount of \$ _____.

___ **Please send information** on establishing a **Charitable Gift Annuity** with the Christian Church in West Virginia.



RETURN SERVICE REQUESTED
 Christian Church (Disciples of Christ) in West Virginia
 1402 Washington Avenue
 Parkersburg, WV 26101

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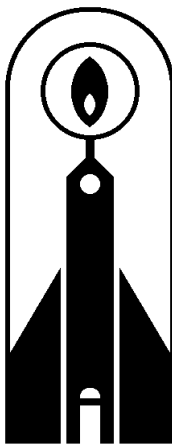
SENIORS: Want to give a gift that will sustain the Church for years to come, and creates a stream of payments for you and/or a loved one for life? A **Charitable Gift Annuity** may be one option that would make this possible. Contact us for information (page 3). Not available in all states. Not insured or guaranteed. Offered for the Christian Church (Disciples of Christ) in West Virginia solely through the Christian Church Foundation.

Charitable Remainder Trusts, cont....

trust. If you use long-term appreciated securities to fund the trust, you have the additional benefit of avoiding the capital gains tax on the appreciation in those securities. The same is true for appreciated real estate. The trust can be structured so that the assets transferred into the trust are removed from your estate and are not subject to federal or state estate tax or probate costs.

Because charitable trusts are flexible, they can be created to fit donors' specific needs. To receive a free, confidential proposal, please contact Rev. Darwin Collins at the Christian Church Foundation.

- The possible benefits of such a life income agreement are:**
- ◆ Satisfaction of having made a planned gift to your church;
 - ◆ Security of income for yourself and/or others;
 - ◆ Potential hedge against inflation (with a unitrust);
 - ◆ Income tax savings;
 - ◆ Capital gains tax savings;
 - ◆ Estate tax savings; and
 - ◆ Probate cost savings.



*Keep the Flame Alive:
 Remember the Church in Your Will*

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.

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 Email our Foundation Vice President, Darwin Collins: dcollins@ccf.disciples.org