

STOCKS & BONDS

Gifts of Stocks and Bonds

Donating appreciated securities, including stocks or bonds, is an easy and tax-effective way for you to make a gift to the Church. There are special rules for valuing a gift of stock. The value of a charitable gift of stock is determined by taking the average between the high and low stock price on the date of the gift. Mutual fund shares are valued using the closing price for the fund on the date of the gift.

Benefits of Giving Stocks and Bonds:

- Avoid paying capital gains tax on the sale of appreciated stock
- Receive a charitable income tax deduction
- Further the mission of your church immediately

RETIREMENT ASSETS & OTHER INVESTMENT ACCOUNTS

Gifts of Retirement Assets

If you are like most people, you probably will not use all of your retirement assets during your lifetime. In some cases, 60%-70% of your retirement assets may be taxed if you leave them to your heirs at your death. You can make a gift of your unused retirement assets to help further the mission of the Church. Donating part or all of your unused retirement assets (such as your IRA, 401(k), 403(b), pension or other tax-deferred plan) is an excellent way to make a gift to Epworth United Methodist Church. If you designate Epworth as beneficiary, the Church will benefit from the full value of your gift because your IRA assets will not be taxed at your death. Your estate will benefit from an estate tax charitable deduction for the gift.

Another option is to leave your heirs assets that receive a step up in basis, such as real estate and stock, and give the retirement assets to your church. As a charity, we are not taxed upon receiving an IRA or other retirement plan assets.

Benefits of Gifts of Retirement Assets:

- Avoid potential estate tax on retirement assets
- Your heirs avoid income tax on any retirement assets funded on a pre-tax basis
- Receive potential estate tax savings from an estate tax deduction

IRA Charitable Rollover

If you are 70½ or older you may be interested in a way to lower the income and taxes from your IRA withdrawals. An IRA charitable rollover is a way you can help continue our work and benefit this year. Please note that IRA charitable rollover gifts do not qualify for a charitable deduction.

Benefits of an IRA Charitable Rollover:

- Avoid taxes on transfers of up to \$100,000 from your IRA to the Church
- Satisfy your required minimum distribution (RMD) for the year
- Reduce your taxable income (even if you do not itemize deductions)
- Make a gift that is not subject to the 50% deduction limits on charitable gifts
- Help further the work and mission of your church

Charitable Gift Annuity

You may be tired of living at the mercy of the fluctuating stock and real estate markets. A charitable gift annuity is a gift made to our organization that can provide you with a secure source of fixed payments for life.

With a charitable gift annuity, you transfer cash or property to the Church. In exchange, the Church promises to pay fixed payments to you for life. The payment can be quite high depending on your age, and a portion of each payment may even be tax-free. You also receive a charitable income tax deduction for the gift portion of the annuity.

If you decide to fund your gift annuity with cash, a significant portion of the annuity payment will be tax-free. You may also make a gift of appreciated securities to fund a gift annuity and avoid a portion of the capital gains tax. Please contact us to inquire about other assets that you might be able to use to fund a charitable gift annuity.

Benefits of a Charitable Gift Annuity:

- Receive fixed payments to you or another annuitant you designate for life
- Receive a charitable income tax deduction for the charitable gift portion of the annuity
- Benefit from payments that may be partially tax-free
- Further the charitable work of the Church with your gift

Charitable Remainder Annuity Trust

You may be looking for a way to receive fixed income for life or a number of years. You may be concerned about the high cost of capital gains tax with the sale of an appreciated asset. Perhaps you recently sold property and are looking for a way to save on taxes and plan for retirement. A charitable remainder annuity trust may offer the solution you need. If you are tired of the fluctuating stock market and want to receive fixed payments, a charitable remainder annuity trust may provide you with the stability you desire. A charitable remainder annuity trust pays a fixed amount each year based on the value of the property at the time the trust is funded.

You transfer cash or assets to fund a charitable remainder annuity trust. The trust is invested to pay fixed income to you or any other trust beneficiaries you select based on a life, lives or a term of up to 20 years. You receive an income tax deduction in the year you transfer assets

to the trust. Your church benefits from what remains in the trust after all the trust payments have been made.

Benefits of a Charitable Remainder Annuity Trust:

- Receive fixed income for life or a term of up to 20 years
- Avoid capital gains tax on the sale of your appreciated assets
- Receive an immediate charitable income tax deduction for the charitable remainder portion of your gift to your church

Charitable Lead Trust (for Family)

If you are looking for a way to pass on some of your assets to your family while reducing or eliminating gift or estate taxes, a charitable lead trust is an excellent option. You make a contribution of your property to fund a trust that pays your church income for a number of years. You receive a gift or estate tax deduction at the time of your gift. After a period of time, your family receives the trust assets plus any additional growth in value.

Benefits of a Charitable Lead Trust:

- Receive a gift or estate tax charitable deduction
- Pass inheritance on to family at a reduced or zero cost
- Establish a vehicle from which you can make annual gifts to charity

Sale and Unitrust

Are your appreciated assets, such as stock, bonds or real estate, producing little or no income? If you sell your appreciated assets, you will pay a large capital gains tax. A sale and charitable remainder unitrust may be the solution to avoid capital gains tax.

You establish a charitable remainder unitrust and transfer a portion of your assets to the trust. The assets are sold and you then receive cash from the sale, and the rest of the sale's proceeds are paid to the charitable unitrust. The trust will provide you with income for the rest of your life.

You also receive a charitable deduction this year to offset your tax on the cash proceeds that you receive from the sale. When transferring a portion of your primary residence to fund a unitrust, you may apply your one-time home exclusion to reduce or eliminate capital gains tax that would otherwise be due from the sale. Your tax advisor can assist you to determine if you should utilize this strategy.

Benefits of a Sale and Unitrust:

- Receive cash from the sale. You can use this cash to purchase another residence, to save for retirement, to travel, to meet your daily needs or to meet some other financial goal.

- Receive income from the unitrust for the rest of your life and future retirement
- Obtain an income tax deduction that may reduce your tax bill this year
- Further the work of the Church with your gift

Give It Twice Trust - Help Family and Charity

You may be looking for a way to provide your children with income while making a gift to your church. The "give it twice" trust is a popular option that allows you to transfer your IRA or other asset at death to fund a term of years charitable remainder unitrust. We call this kind of unitrust a give it twice trust because you can use the trust to pay income first to your family for a number of years and then distribute the balance of the trust to charity.

We can help you and your attorney with the process of creating a charitable remainder unitrust. You complete an IRA or other retirement account beneficiary designation form, naming the charitable trust as the beneficiary. When you pass away, the custodian will transfer your retirement account to the charitable trust. The trust will pay income to your spouse, children or other individual beneficiaries for their life, term of years or life plus term of years. At the conclusion of the payments, the balance of the trust will be transferred to your church.

Benefits of a Give It Twice Trust:

- Use the full value of your unused retirement account to provide income to your surviving spouse and to provide income to children or other loved ones for a specified period of time
- Create an estate tax deduction and savings from the charitable gift

LIFE INSURANCE

Gifts of Life Insurance

If you have a life insurance policy that has outlasted its original purpose, consider making a gift of your policy. For example, you may have purchased a policy to provide for minor children who are now financially-independent adults. To make a gift of life insurance, please contact your life insurance provider, request a beneficiary designation form from the insurer and designate Epworth United Methodist Church as the beneficiary of your policy.

Benefits of Gifts of Life Insurance:

- Receive a charitable income tax deduction
- If the Church retains the policy to maturity, you can receive additional tax deductions by making annual gifts, so that the Church can pay the premiums. If the Church cashes in the policy, you will be able to see firsthand how your gift supports our charitable work. If we retain the policy to maturity, or you name us as a beneficiary, once the policy matures, the proceeds of your policy will be paid to our organization so that we can use the proceeds to further our mission.

BENEFICIARY GIFTS

Beneficiary Designation Gifts

A beneficiary designation gift is a simple and affordable way to make support your church. You can designate Epworth as a beneficiary of a retirement, investment or bank account or your life insurance policy. When you pass away, your account or insurance policy will be paid or transferred to the Church, consistent with the beneficiary designation.

If you are interested in making a gift but are also concerned about your future needs, keep in mind that beneficiary designation gifts are among the most flexible of all charitable gifts. Even after you complete the beneficiary designation form, you can take distributions or withdrawals from your retirement, investment or bank account and continue to freely use your account. You can also change your mind at any time in the future for any reason, including if you have a loved one who needs your financial help.

Benefits of a Beneficiary Designation Gift:

- Support the causes that you care about
- Continue to use your account as long as you need to
- Simplify your planning and avoid expensive legal fees
- Reduce the burden of taxes on your family
- Receive an estate tax charitable deduction

CHARITABLE BEQUESTS/WILLS

Charitable Bequest/Wills

A charitable bequest is one of the easiest and most flexible ways that you can leave a gift to Epworth United Methodist Church and make a lasting impact.

Benefits of Bequests:

- Receive an estate tax charitable deduction
- Reduce the burden of taxes on your family
- Leave a lasting legacy to charity

Options for a Bequest:

With the help of an attorney, you can include language in your will or trust specifying a gift to be made to family, friends or Epworth United Methodist Church as part of your estate plan, or you can make a bequest using a beneficiary designation form.

There are a number of ways to leave a bequest to Epworth United Methodist Church including:

- Include a bequest to the church in your will or revocable trust
- Designate your church as a full, partial or contingent beneficiary of your retirement account (IRA, 401(k), 403(b) or pension)
- Name your church as a beneficiary of your life insurance policy

A bequest may be made in more than one way including:

- Percentage bequest (make a gift of a percentage of your estate)
- Specific bequest (make a gift of a specific dollar amount or a specific asset)
- Residual bequest (make a gift from the balance or residue of your estate)

REAL ESTATE

Gifts of Real Estate

Donating appreciated real estate, such as a home, vacation property, undeveloped land, farmland, ranch or commercial property can make a great gift to Epworth United Methodist Church. Your real property may be given to the Church by executing or signing a deed transferring ownership. You may deed part or all of your real property to the Church.

Benefits of Gifts of Real Estate:

- Avoid paying capital gains tax on the sale of the real estate
- Receive a charitable income tax deduction based on the value of the gift
- Leave a lasting legacy to your church

Life Estate Reserved

You may desire to leave your home or farm to your church at your death, but would also like to receive a current charitable income tax deduction. A life estate reserved can offer a solution. You deed your home or farm to the Church and include a provision that gives you the right to use your home or farm for the rest of your life and that of any other life estate party named in the deed. You and the Church sign a maintenance, insurance and taxes (MIT) agreement to explain that you will do your best to keep the property in good condition and that you will maintain property insurance and pay the property taxes. When the owners of the life estate have passed away, your home or farm will belong to your church so that it can be used to further its charitable work.

Benefits of a Life Estate Reserved:

- Receive a federal income tax deduction for the value of the remainder interest in your home or farm
- Preserve your lifetime use and control of your home or farm
- Create a life estate based on more than one life. This will preserve the use of the property for you and a loved one, such as a spouse or dependent child.

For more detailed information about these gift options, talk with your own legal and financial advisors or contact the Mid-Atlantic United Methodist Foundation at (484) 762-8211 or www.maumflegacy.org.

Bargain Sale

Do you have property that you would like to sell? Are you looking for a strategy to reduce your income taxes? A bargain sale might be the right strategy for you. You sell the Church your property for a price less than fair market value and receive cash from the sale. You can then take a charitable deduction for the value of your gift which is the difference between the fair market value of the property less the sale price. While you may owe some tax on the sale proceeds you receive from the Church, the charitable deduction from your gift could offset some, most or all of your capital gains taxes associated with the sale.

A bargain sale may be accomplished even if you have a mortgage on your property. Because relief from indebtedness can have tax implications, please consult with your tax advisor prior to completing a gift of a bargain sale.

Benefits of a Bargain Sale:

- Avoid capital gains tax on your charitable gift
- Receive a tax deduction that will reduce your tax bill this year
- Take the cash received from the sale and reinvest it to create future income, save for retirement, buy new property or achieve other financial goals

Charitable Remainder Unitrust

You may be concerned about the high cost of capital gains tax with the sale of an appreciated asset. Perhaps you recently sold property and are looking for a way to save on taxes this year and plan for retirement. A charitable remainder unitrust might offer a solution for you.

You transfer cash or assets to fund a charitable remainder unitrust. The trust is invested to pay income to you or any other trust beneficiaries you select based on a life, lives, a term of up to 20 years or a life plus a term of up to 20 years. You also receive an income tax deduction in the year you transfer assets to the trust. The Church benefits from what remains in the trust after all the trust payments have been made.

Benefits of a Charitable Remainder Unitrust:

- Receive income for life, for a term of up to 20 years or life plus a term of up to 20 years
- Avoid capital gains on the sale of your appreciated assets
- Receive an immediate charitable income tax deduction for the charitable portion of the trust
- Establish a future legacy gift to our organization