

WAYS TO GIVE

The best giving plan for you will balance what you wish to accomplish for yourself, your family and your charitable interests in your overall estate and financial plans.

Please contact Dale Turner for additional information on planning at 608-768-6205.

Here are nine common giving methods:

1. Benefiting Others Through Your Will

In addition to being one of the simplest ways to distribute your estate, your will also can be a creative vehicle through which to make thoughtful gifts.

By having your attorney revise your will or add a simple amendment, you can make a gift of a dollar amount, a specific property, a percentage of your estate or what is left after your loved ones have been taken care of. You may also wish to name one or more charitable recipients in case one or more heirs do not survive you.

2. Giving Through Revocable Living Trust

If, like many others, you have chosen to rely on a revocable living trust to pass your property to loved ones while minimizing probate costs, consider how you might add a charitable dimension to this plan as well.

You can provide that at the termination of your revocable living trust, a portion of the assets in the trust be used for charitable purposes you direct.

Much like a charitable bequest through a will, such a gift is deductible from estate taxes and can be delayed until all family members have first been provide for.

3. A Gift With an Income That Never Changes

A charitable remainder annuity trust is a way to make a gift that allows you to retain income from your property for life or for another period of time you specify. Your funds are held separately and invested for payment of a fixed and regular income to you and/or someone else you name.

Such payments can be a welcome supplement to your retirement plan. Ensuring management of assets is another benefit of the plan.

When the trust ends (at the death of the income recipient(s), or at the end of the period you specify), whatever remains in the trust is distributed for the charitable purposes you specify.

The payments you receive each year will be at least 5% of the amount placed in the trust. The exact amount is determined by you when the plan is created and will never change. A tax deduction is allowed at the time you create your trust. Its size depends on your age, payment percentage and other factors.

4. A Gift With a Variable Income

Like the annuity trust, a charitable remainder unitrust provides for a gift that returns an income. But unlike the annuity trust, the income from a unitrust will increase or decrease with the value of the assets placed in the trust.

You determine the payout percentage when the gift is made. Each year this percentage of the value of the trust assets is paid to you or others you select. When the value of the trust investments goes higher, more income is received. The income will be less if the value of the assets declines.

Additions can be made to this type of trust and a tax deduction is allowed for a portion of each amount contributed. For many people, the unitrust can play a welcome role in planning for retirement years.

5. Making a Temporary Gift

People who wish to make a substantial gift over a period of years while ensuring that their property will ultimately return to themselves or their loved ones may be interested in what is known as the charitable lead trust.

The lead trust can be one of the few ways to reduce or eliminate taxes that would otherwise be due on assets left to children or grandchildren.

Under the terms of a charitable lead trust, assets are transferred to a trust that pays income to one or more charitable recipients for a number of years you determine. At the end of that period, the assets are returned to you or other persons you name.

6. Give Your Home – and Continue to Live There

You can make a gift of a home or certain other real estate while retaining the use of the property for as long as you live. Using a life estate arrangement, you make a gift of your home or farm now but retain the security of knowing you may live there as long as you wish.

The satisfaction of giving, as well as a tax deduction, is enjoyed now rather than later. You continue to take care of the property, pay the taxes, and even receive any income it generates.

7. A Large Gift at Low Cost Through Life Insurance

Life insurance needs change as life progresses. Children become self-sufficient and investments may provide unexpected income and security. As a result, not all life insurance coverage may be needed for the reason it was initially purchased. Also, because federal law now exempts many estates from taxation, life insurance purchased to cover estate taxes may be "obsolete."

One of the simplest ways to make a significant gift in the future is to name a charitable beneficiary to receive all or a portion of the proceeds of a policy no longer needed for its original purpose. Another way is to purchase a new policy, naming a favorite cause as beneficiary or co-beneficiary.

8. Creative Gifts Through Retirement Plans

Whether you participate in a company pension plan or a fund you have established yourself, such as an Individual Retirement Account (IRA), you may accumulate funds beyond your needs for comfortable support of yourself and loved ones.

In such a case, it may be very easy and convenient to make a gift from such accounts to perpetuate work you consider vital for the well-being of future generations.

9. A Gift of Lasting Significance

There may be no better way to pay tribute to someone than through a memorial gift with a lasting meaning.

Examples of memorial gifts are endless. Many organizations and institutions can attribute buildings, equipment, endowment funds and a multitude of services to gifts made in memory of loved ones.

We will be glad to assist you in choosing an appropriate commemoration for your gift in honor of someone special to you.

For a discussion or individual planning please call or [email Dale Turner](#) at the Reedsburg Area Medical Center Foundation (608) 768-6205.