

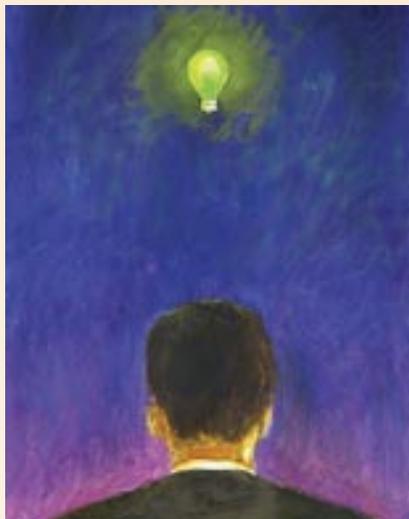
15 PLANNED GIVING IDEAS YOU CAN USE

► **BABY BOOMER GIFT** - If you are in your 50's or 60's you may want to consider a new variation of a gift annuity. A *flexible* deferred annuity combines charitable giving with a way to supplement retirement income. What's different about this gift is you can let future circumstances determine when you want your payments to begin. The later you decide to start receiving payments, the greater the annuity amounts.

► **DEDUCT NOW, DONATE LATER** - The financial service industry (Fidelity, Schwab, Vanguard, etc.) is making it easier than ever to establish your own donor advised fund. You can donate to the fund now, take a current tax deduction, let your gift grow, then at any future time make a disbursement to favorite charities. You can even manage your giving on-line. Minimum donations as low as \$5,000 coupled with lower administrative fees make this a good steward choice especially for donors who incurred high capital gains and can benefit from a tax write-off.

► **MAKING KNOWN YOUR WISHES** - Do you know the difference between a living will and a health care power of attorney? A living will is a written statement in which you make known the extent you want life support should it be necessary. With a health care power of attorney, you appoint someone to make medical decisions on your behalf if you cannot do so. These issues can have an enormous impact on family, loved ones, and your estate. Be sure to address them when making or updating your will.

► **GOT OBSOLETE INSURANCE POLICIES?** - Do you have a life insurance policy that you no longer need? It can make an excellent gift to charity. If you donate a paid-up policy, you can deduct the



replacement value of the policy or your cost basis in the policy—whichever is less. (Here, cost basis refers to the premiums you paid on the policy, less any dividends paid back to you.)

► **WHAT? I'M TAXED FOR MAKING GIFTS?** - Yes and no. There is no limit on the amount you can give to charity during life or at death. However, there may be tax implications if you go beyond certain limits in terms of lifetime gifts to individuals. Be aware of gift tax rules if as an individual you give away more than \$12,000 to any one person in a given year. This may also apply if you sell property to someone at below market value.

► **MEDICAID AND GIFT GIVING** - Tighter rules will govern Medicaid eligibility, and this can affect gifts made within five years of a person's applying for benefits. *Best advice:* Consult with an attorney specializing in elder law for this and related issues. You can locate those in your area at www.naela.com

► **HEIRS TAKE NOTE** - As of last year (2007), children and non-spouse beneficiaries will be

(continued)

Please check the information you wish to receive and return this form in the enclosed envelope or write/call/e-mail us as shown below.

- Wills Kit
- CRS Gift Annuities
- Other

Name (s) _____

Address _____

City _____ State _____ Zip _____

Date(s) of Birth _____ / _____

Gift annuities are for one or two people age 50 and above.

Legacy gifts can have a profound effect on the lives of those in greatest need. If you have remembered Catholic Relief Services in your estate plan, please let us know. If you have not, we hope you can consider doing so.

- I have remembered CRS in my estate plan.
- Send the proper wording for including CRS as beneficiary in my will, trust, insurance policy or retirement plan.

able to roll inherited 401(k) assets into IRAs. It's important that inheritors are aware of this law to avoid thinking they need to receive the entire amount as a lump sum distribution subject to immediate taxation as was required previously.

► **A GIFT YOUR HEIRS WILL NEVER FORGET -**

Instead of giving a lump sum to a loved one at death, consider putting a gift annuity in your will for their benefit. Upon your death, the heirs begin receiving an income stream for the remainder of their lives. Not only will they remember you with each check they receive, but they will remain aware of the charity's good work. (Or consider one for yourself. See tear off section below.)

► **IRA to CRT** - A donor can name a Charitable Remainder Trust as the beneficiary of their IRA. By so doing, the donor can take care of a loved one for the rest of his or her life (or a fixed number of years), then afterward have the remainder go to charity. When the owner of the IRA dies, the CRT receives the assets tax free, which optimizes its value for both the loved one and the charity.

► **EVER HEARD OF "P.O.D" OR "T.O.D?"** - The letters stand for "Payable on Death" and "Transfer on Death." You can apply these designations to most bank accounts, retirement funds, savings bonds, CDs and mutual funds. At death, the assets go directly to your designated heir or charity, bypassing your will and avoiding probate.

► **DO GOOD WHILE REBALANCING YOUR PORTFOLIO** - If your retirement funds are in need of more fixed income and fewer equities, consider a charitable gift annuity. Aside from its attractive rate, a portion of the payments you receive are tax-free for many years. If stock is donated, you can reduce and defer the capital gain tax. Because it supports a good work, you also enjoy a substantial charitable income tax deduction. (See tear off section below.)

► **DO YOU NEED A WILL AND A TRUST? -**

Despite the emphasis on probate avoidance, not everyone needs a (more costly) trust. Like everything, living trusts have pros and cons; it may or may not be a wise choice. Factors to consider: age, marital status, degree of wealth, complexity of your estate, type of assets you own, and the lack of other probate avoidance methods. Also, trusts do not reduce taxes. *Bottom Line:* Despite the promotional hype, don't automatically assume a living trust is required for a good estate plan.

► **DO-IT-YOURSELF WILL** - Making your will without a lawyer by using pre-printed forms or a computer program may do the job. Then again, it may not. Consider: We only get one chance to do it right, and most attorney fees are very reasonable for average estates. (To learn more, ask for our wills kit on tear-off coupon below.)

► **STOCK TIP** - Assume you want to make a gift to charity and you have cash in one pocket and highly appreciated stock in the other. Which of the two should you donate? Does it make a difference? Consider that Uncle Sam allows you to deduct the full present value of the stock regardless of what you paid for it. Thus, you get to avoid the tax that would otherwise be due when you sold the stock. In effect, it "costs" less for a taxpayer to donate stock instead of cash. Note that this applies to stock held more than one year.

► **WILL VS. "WILL SUBSTITUTES"** - The latter refers to retirement plans, life insurance, annuities, living trusts, pay-on-death accounts, including savings bonds, etc. Remember, assets such as these are not controlled by your will if you assigned them to a beneficiary. If your will says one thing, but your will substitute says another, the will substitute takes precedence.

Questions about our tips? Please call our Planned Giving Department at 1-800-235-2772 ext. 7429 or 7318.

This newsletter is not intended to provide legal or financial advice. Always consult your professional advisor.

© 2008 Catholic Relief Services

Want to feel good about your next "investment" ?

Although it's not an investment in the usual sense of the word (though it's an investment in our work) a CRS Gift Annuity can ...

- provide you with an attractive rate of return
- guarantee the rate with maximum safety, and
- allow you to help people in greatest need.

To learn more about a CRS gift annuity, complete and return this form or call us at the number shown on reverse side.

Gift Annuity Rates

	One-Life	Two Life
65	6.0%	65 & 70 5.7%
70	6.5%	70 & 75 6.1%
75	7.1%	75 & 75 6.3%
80	8.0%	75 & 80 6.6%
85	9.5%	80 & 85 7.3%
90+	11.3%	85 & 90 8.4%

Donors must be at least 50 years of age and we request a minimum contribution of \$5,000 to participate.