

Gift and estate planning ideas for friends and benefactors of Catholic Relief Services

## MAKING YOUR WILL — for the first time

Every year more than 70 percent of Americans die without a will. The reasons for not making a will are many. Some of these reasons are understandable: “My young age,” or “My estate is too small,” or even, “The state has an automatic plan.” Most often the task seems to be too daunting as it reminds us of our mortality. However, the consequences of inaction—for whatever reason—are enormous and, in the end, can be a hardship on family and friends.

Making a will is not complicated, and it assures that what you leave behind goes to the people and places you select. A will can reduce or eliminate taxes and assures that your estate is overseen and distributed by someone you select and have confidence in. All of this is done under the scrutiny of a

court system that assures compliance with your wishes in a timely fashion.

Preparing a will involves three basic elements: Who gets what and how do they get it. All three questions are answered by you. There is no time like the present. We encourage you to start now to consider this important matter. To help you learn more, CRS has prepared a free Wills Kit. It can provide you with valuable information and tell you what you need to know to take the first steps toward making a will.

To receive a free Wills Kit, without obligation, please complete the attached form or e-mail us at: [plannedgiving@crs.org](mailto:plannedgiving@crs.org). You can also call us toll free at 1-888-277-7575, ext. 7262.

Please feel free to contact us. We welcome your questions.

## CHARITABLE GIFT ANNUITIES: Legacy Gifts and So Much More

### For Those Age 60 and Above

By establishing a CRS charitable gift annuity it is possible to generate life income for yourself and provide a legacy gift that CRS can use in the future to finance our humanitarian work around the world. Charitable gift annuities are unique and are offered only by qualified charitable organizations such as Catholic Relief Services. They are not available from financial institutions.

When a charitable gift annuity is established, guaranteed, lifelong income payments—at attractive rates of return—begin immediately to the donor. The amount received annually depends on the donor’s age (or the donors’ ages when there is more than one) at the time the gift is made. The higher the age, the higher the rate of annual income. The donor has the

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## YOUR WILL — A time for review?

As we move away from the first decade of the 21st century, we will long remember 10 years of great uncertainty. In many ways the tumult of these past years will temper all that we do from this day forward. As we look ahead, it is a good time to review and rethink the important life plans we have in place for the next decade and beyond.

One important part of planning for the future is ensuring you have a will and estate plan in place that is current and will meet the goals you have set for yourself and your family. The centerpiece of any estate plan is a valid will. If you have prepared a will, you may be surprised to know that you are among a minority of Americans that have an estate plan in place. Unfortunately, more than 70 percent of Americans die without a will.



Even if you have a will, the events of the past decade beg the question: Is my will up to date? This decade of profound changes in financial markets and investment portfolios alone would warrant a

review of your estate plan. Beyond the assets in your estate, tax and estate laws have changed over time as well, and personal and family circumstances are always in flux. Relocation to another state, the addition or transition of family members, reorganization of the law firm that prepared your will, acquisition of the trust company you designated, or a change in the status of your proposed executor are all circumstances to look at when reviewing your will.

So even though you have a will, it may be time once again to work through

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## Your Donations at Work

What an extraordinary year 2010 turned out to be! Your generous support of Catholic Relief Services in 2010 helped make a difference in the lives of nearly 130 million people in need. How? Let’s look at just two examples.

As the year began, the world witnessed one of the most devastating disasters in recent memory: the 7.0-magnitude earthquake that struck Haiti on January 12. Thanks to your support, CRS staff—working in some of the most difficult

conditions imaginable—responded quickly with lifesaving assistance and are now rebuilding communities, one family at a time.

In Sudan, CRS launched a massive peacebuilding program with the Church in Sudan to avert a potential return to violence following the January 9, 2011, referendum on independence for southern Sudan. Miraculously, the referendum was completely peaceful. Your incredible gen-

erosity and heartfelt prayers for Sudan helped make this peace possible. Thank you.

Whether responding to emergencies, large or small, working for peace, or helping others build a better future, donors like you are making a real difference in the lives of the world’s poorest and most vulnerable people. Thank you!



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option to defer income payments to a later time and receive higher payments.

In addition to lifetime income, the donor is entitled to a charitable income tax deduction for a portion of value of the gift. Also, a portion of the annual income is tax-free.

This chart shows current rates for immediate payment gift annuities based on a sample gift of \$10,000.

One Life		
Age	Rate	Annuity
60	5.2%	\$520.00
65	5.5%	\$550.00
70	5.8%	\$580.00
75	6.4%	\$640.00
80	7.2%	\$720.00
85	8.1%	\$810.00
90+	9.5%	\$950.00
Two-Life		
Ages	Rate	Annuity
60/65	5.0%	\$500.00
65/70	5.2%	\$520.00
70/75	5.5%	\$550.00
75/80	5.9%	\$590.00
80/85	6.6%	\$660.00
85/90	7.5%	\$750.00
90/90+	8.3%	\$830.00

This form of gift annuity is defined as flexible because the lifetime income you receive, as well as when you begin to receive it, is not fixed. Instead, you determine when the time is right for annuity payments to begin. The longer you wait, the higher the rate of income.

When a flexible annuity is established, the donor is entitled to a charitable income tax deduction for a portion

This chart illustrates the benefits for a donor age 55 who gives \$10,000 for a flexible gift annuity. The donor wanted the option of starting payments anytime from age 65 onward.

If Started at Age	Rate	Annuity Amount
65	8.4%	<b>\$840</b>
66	8.8%	<b>\$880</b>
67	9.4%	<b>\$940</b>
68	10.0%	<b>\$1,000</b>
69	10.6%	<b>\$1,060</b>
70	11.1%	<b>\$1,110</b>
71	11.8%	<b>\$1,180</b>
72	12.5%	<b>\$1,250</b>
73	13.3%	<b>\$1,330</b>
74	14.4%	<b>\$1,440</b>
75	15.3%	<b>\$1,530</b>

The rates shown above would be lower if a second person shared in the benefits.

### Age 50 and Above?

By establishing a flexible gift annuity, donors age 50 and above can combine legacy giving with tax-wise retirement planning and enjoy special benefits. A flexible annuity is a unique charitable gift that can provide lifetime annuity payments in your retirement years starting anytime you choose after age 60.

*CRS Gift Annuities are not available in California.*

of the value of the gift. In addition, a portion of the income payments will be tax-free. After the lifetime of the donor, the remaining funds from the original gift become a legacy that Catholic Relief Services will use in the course of our mission: serving the poor and vulnerable throughout the world.

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the “what, who and how” of your estate plan: First inventory what you own, then decide who will receive this property after your lifetime, and then consider how best to pass on your property through your estate plan.

We encourage you to review your estate plan, and when you do, to please

consider your charitable legacy. Your good stewardship can sustain Catholic Relief Services’ work to bring hope to the poorest people in the world. Together, we can transform lives that are filled with hardship and adversity.

If you would like additional information please request the CRS Wills Kit offered below.

## GOOD NEWS!

### Congress extends charitable rollover option for IRA owners age 70½ or older

On December 17, 2010, Congress extended the special tax benefits allowing IRA owners age 70½ or older to transfer, tax free, up to \$100,000 of IRA funds directly to charitable organizations.

Generally taxpayers must begin taking required minimum distributions (RMD) annually from their IRA after reaching age 70½. An IRA rollover to a charity counts toward the RMD so donating under this law to Catholic Relief Services cuts the Federal tax bill on the IRA contribution to zero.

You may contribute IRA funds this way if:

- You are 70½ or older.
- Your IRA gifts do not exceed \$100,000. A married couple, with separate IRAs, can each contribute up to \$100,000.
- You make the gift on or before December 31, 2010.
- You transfer funds directly from a traditional IRA or Roth IRA.
- You transfer the gift outright to one or more public charities, but not supporting organizations or donor-advised funds.
- Your gift is given outright to a public charity and not used to establish a charitable gift annuity or a charitable remainder trust.

If you wish to make an IRA rollover gift to CRS, please notify the CRS Planned Giving Department before you contact your IRA custodian. The person to contact is:

Demicca Ross, 1-888-277-7575 ext. 7438 or demicca.ross@crs.org.

These seals certify that CRS meets the highest standards of transparency, accountability and effectiveness as set forth by these charity evaluation agencies.



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

Detach this portion and mail to: CRS Planned Giving Dept., 228 W. Lexington Street, Baltimore, MD 21201-3443  
Contact us by phone at 1-888-277-7575 ext. 7262 or e-mail at [plannedgiving@crs.org](mailto:plannedgiving@crs.org)

I wish to receive information on:

- Wills Kit
- CRS Gift Annuities
- Other \_\_\_\_\_
- Please call me at: # \_\_\_\_\_ Best time to call: \_\_\_\_\_

Name (s) \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Date(s) of Birth \_\_\_\_\_ / \_\_\_\_\_

E-mail address \_\_\_\_\_

Please let us know if you have remembered CRS in your estate plan. If you have not, we hope you will consider doing so.

I have remembered CRS in my estate plan.

Send proper wording for including CRS as a beneficiary in my will, trust, insurance policy or retirement plan.

