



## California-Nevada United Methodist Foundation

### Rewards of Planned Giving

It is hard to imagine the future, but one way of gaining a window on it is to pledge ourselves to making sure that those ministries we care about will be there for future generations. One way that we can assure that those we leave behind will continue to benefit by these causes is to begin by assessing our own estate and consider leaving a portion to benefit the work of Christ in the Church and in the world. Through thoughtful, charitable planned gifts we can continue the work our ancestors began.

Annually our tax code is revised by acts of Congress and it is imperative that we make informed choices in financial and tax planning. Depending on the specific arrangements made, donors can expect some or all of the following benefits of thoughtful charitable planning:

- The greatest reward of all is the satisfaction of doing God's work;
- Satisfaction from providing the means to continue Christ's work;
- Income tax savings through the charitable deduction for the value of the gift;
- Avoidance of the capital-gain tax on contributions of appreciated long term, capital-gain property with respect to certain planned gifts;
- Retained payments for the life of a donor and/or beneficiaries;
- The possibility of a higher rate of return than currently provided by the contributed asset;
- Elimination of federal estate tax on the value of the interest in property passing to the church upon the donor's death; and
- Reduced estate settlement costs.

Most of the information provided here discusses the federal tax advantages of charitable contributions. In many cases, state income tax, inheritance tax, and estate and gift tax benefits will enhance the advantages of proposed arrangements.

It is important to begin by urging you to consult with family members and your own tax and legal advisors for a full discussion of the tax implication of your planned gifts.<sup>1</sup>

In addition, it is important to remind you that this discussion is not meant to imply that these are the only reasons for making a charitable gift. This discussion is intended to provide information that may be helpful to you and your advisors in selecting the most beneficial way to make your planned gift commitment, keeping in mind your particular financial goals and charitable objectives.

1. *This information is given with the understanding that the presenter is not engaged in rendering legal, accounting, or other professional services. If legal advice or other expert advice is required the services of a competent professional in the field of law, accounting, or financial planning should be sought.*