

## Gifts of IRAs

Last year the IRA Rollover Act extended an excellent charitable giving opportunity through the end of 2009.

If you are over 70 ½, you may use your IRA to fulfill your charitable plans without paying tax on or taking a deduction for the gift. This gift qualifies for all or part of your required IRA minimum distribution.

IRA Rollovers will be popular for at least five reasons:

- 1) Convenience
- 2) Standard Deduction Benefit
- 3) Lower Tax on Social Security
- 4) No Giving Limits
- 5) Lower Income Level Saves Tax

A rollover can be \$1,000, \$5,000 or any size up to \$100,000. As with any important financial decision, we recommend you discuss this with your personal financial advisor.

## Gifts of Real Estate

A residence, vacation home, acreage or other property may have so appreciated in time that its sale would mean a sizable capital gains tax. By making a year-end gift of this property, you would avoid the capital gains tax, and, at the same time, receive a charitable deduction for the full fair market value of the property.

It is also possible to make a gift of a home so that you and your spouse can continue to use it for your lifetimes, while you receive a tax deduction in 2009.

## Bequests

While you're considering your 2009 income tax savings, this may also be a good time to consider long-term tax savings. The federal estate tax can still take approximately 40% to 50% of one's estate at the time of death. That's a higher tax bite than the income tax! It definitely pays to do some advance planning with your attorney and other professional advisors.

We hope you will consider a charitable bequest in your will-- to benefit the church while you save estate tax dollars at the same time.

## For Further Information

We would be pleased to provide additional information and assistance at your request. Keep in mind that the information in this brochure is general in nature and does not attempt to make specific legal or tax advice. To learn how this general information relates to your individual circumstances, contact a professional tax advisor.

Thank you for your interest and support.



YOUR  
UNITED METHODIST CHURCH  
Your Street  
Your City, LA  
Telephone: (337) 555-1212

*Celebrate Church!*

# END OF YEAR Gift Ideas



YOUR  
UNITED METHODIST CHURCH  
YOUR CITY, LOUISIANA

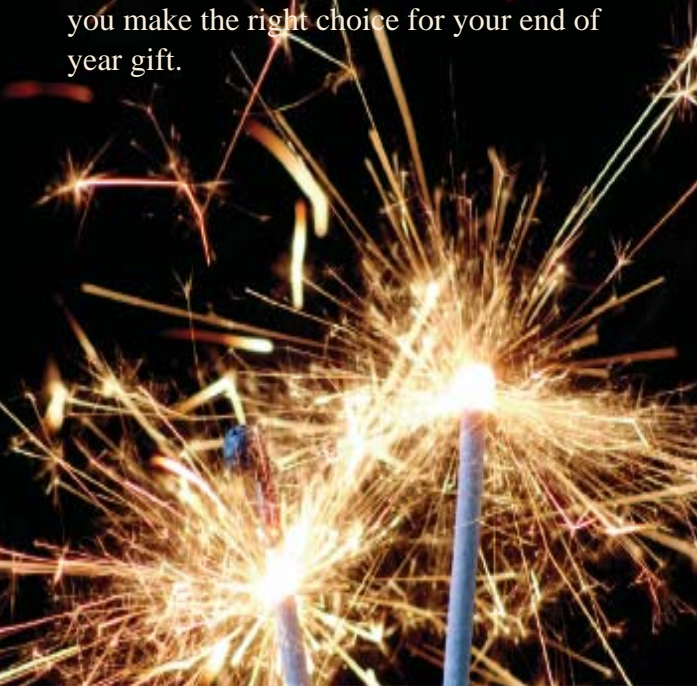
## *Celebrate Church!*

### *Year-End Gift Ideas*

**I**t's the end of the year, and many people are reviewing their financial plans. The good news is that it's not too late to make a tax deductible charitable gift, providing you with valuable tax savings on this year's return. Best of all, your generous gift will help further the mission of Your United Methodist Church.

### *Now is the Time!*

Now is a great time to celebrate church with an end of year gift! You might consider making an outright gift of cash, appreciated stock or real estate. If you desire secure income for life, consider a charitable gift annuity or charitable remainder trust. Let's look at a number of gift options that can help you make the right choice for your end of year gift.



## *A Brief Guide to the Benefits of Year-End Giving*

### **Gifts of Cash**

If you itemize, you can lower your 2009 income taxes simply by writing a check to Your Memorial United Methodist Church by December 31. Make sure your envelope is post-marked by December 31; if it is, your gift will qualify as a 2009 gift even if we receive it after that date.

Gifts of cash are fully deductible, up to a maximum of 50% of your adjusted gross income. For example, if your adjusted gross income for 2009 is \$50,000, up to \$25,000 of charitable gifts may be deducted in 2009. Any excess can generally be carried forward and deducted over as many as five subsequent years.

### **Gifts of Stock**

*If you own stock, it is often more tax-wise to contribute stock than cash.*

This is because a gift of appreciated stock generally offers a two-fold tax saving. First, you avoid paying capital gains tax on the increase in value of the stock. Second, you receive an income tax charitable deduction for the full fair market value of the stock at the time of the gift.

**Example:** *If you purchased some stock many years ago for only \$1,000, and it is now worth \$10,000, an outright gift of the stock to the church would result in a charitable deduction of \$10,000. In addition, there is no capital gains tax on the \$9,000 of appreciation.*



Gifts of appreciated stock are fully deductible, up to a maximum of 30% of your adjusted gross income. For example, if your adjusted gross income for 2009 is \$100,000, up to \$30,000 of long-term appreciated stock and other property gifts may generally be deducted in 2009. Any excess can usually be carried forward and deducted over as many as five subsequent years.

### **Life Income Gifts**

A "life income" gift may be an excellent year-end gift. These gifts can actually increase your income!

You can use cash or stock to establish a charitable gift annuity or a charitable remainder unitrust. Both can provide income to you and/or a loved one for life, after which the remainder will benefit the church. You would be increasing your income and making a meaningful (and tax-deductible) contribution to the church at the same time.

**Example:** *Suppose Mrs. Wesley, age 75, purchased some stock many years ago for \$10,000 and that the stock is now worth \$100,000. But, she receives only \$2,000 in dividends, or a 2% yield. By transferring the stock to a charitable gift annuity, she would "lock in" 6.3% income for life, and:*

- 1) *Triple her income*
- 2) *Avoid the capital gains tax*
- 3) *Receive a charitable income tax deduction of approximately \$45,000.*