

FINISHING WELL

The Benefits of Year-End Giving



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FOR THE CHURCH, CAMP, OR AGENCY

Year-End Giving: Time to Communicate

- Promote Year-End Giving
 - Tell the Ministry Stories
 - Celebrate Successes
 - Highlight the Foundation's Services
 - Say Thank-You in Creative Ways
- 

OCTOBER 2021 | FALL ISSUE

Generous **LIVING**

Ending the Year Well

Get a head start on your year-end tax planning!

IMPACT YOUR WORLD

HELP YOUR BOTTOM LINE

With an IRA Charitable Rollover Gift, you can help the work and mission of your church this year and enjoy valuable tax and income benefits. If you are 70½ or older, you can roll over up to \$100,000 from your IRA to your church without paying federal income tax. Even better, your gift may qualify for your required minimum distribution (RMD).

Here Is How You Can Benefit from An IRA Rollover Gift This Year:



REDUCE YOUR TAXABLE INCOME

By rolling over some, or all, of your RMD from your IRA to your church you may reduce your taxable income this year.



LOWER YOUR SOCIAL SECURITY TAX

Reducing your taxable income with an IRA rollover gift may also reduce the tax due on your social security payments.



AVOID IRS TAX LIMITS

IRA rollover gifts may be made over and above the normal cash gift limit.



NONITEMIZERS: ENJOY CHARITABLE GIFT BENEFITS!

If you do not itemize your deductions, you can still benefit from the reduction in income and tax resulting from an IRA rollover gift.



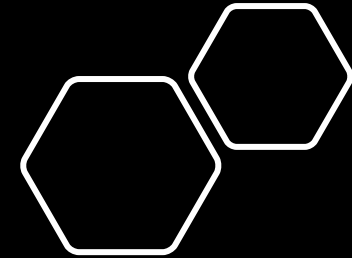
A NEW SOURCE FOR MAJOR GIFTS!

If you wish to make a larger gift to a campaign or special cause, you can make that gift from your IRA rather than tapping into your bank account this year.

Make an IRA Rollover Gift today or for more information contact:

**GARY MELVILLE/Foundation Director of Development:
800-595-4347 X103 or email: gmelville@umfne.org**


34 Route 111/Suite 102/Derry NH 03038/www.umfne.org





FOR THE INDIVIDUAL OR FAMILY

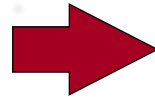
Year-End Giving: Review, Plan, Act

- Review Philanthropic Goals and Giving
 - Financial Plan Check-Up
 - Evaluate Tax Situation
 - Market Gains and Losses: Combining Gifting and Rebalancing
 - What has God Placed on Your Heart?
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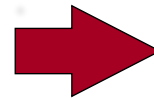
IRA CHARITABLE ROLLOVER



For those over the age of 70-1/2 the Charitable IRA Rollover is a great Option. Can gift up to \$100,000 per year from IRA!



Bank sends IRA distribution directly to church

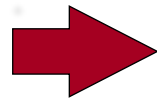


Church receives IRA Gift – TAX-FREE!

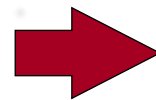
IRA CHARITABLE ROLLOVER



Bill has a \$800,000 IRA
He is 74 years old
His RMD is \$33,130.45
Bill & Ruth plan to give
\$5,000 to church

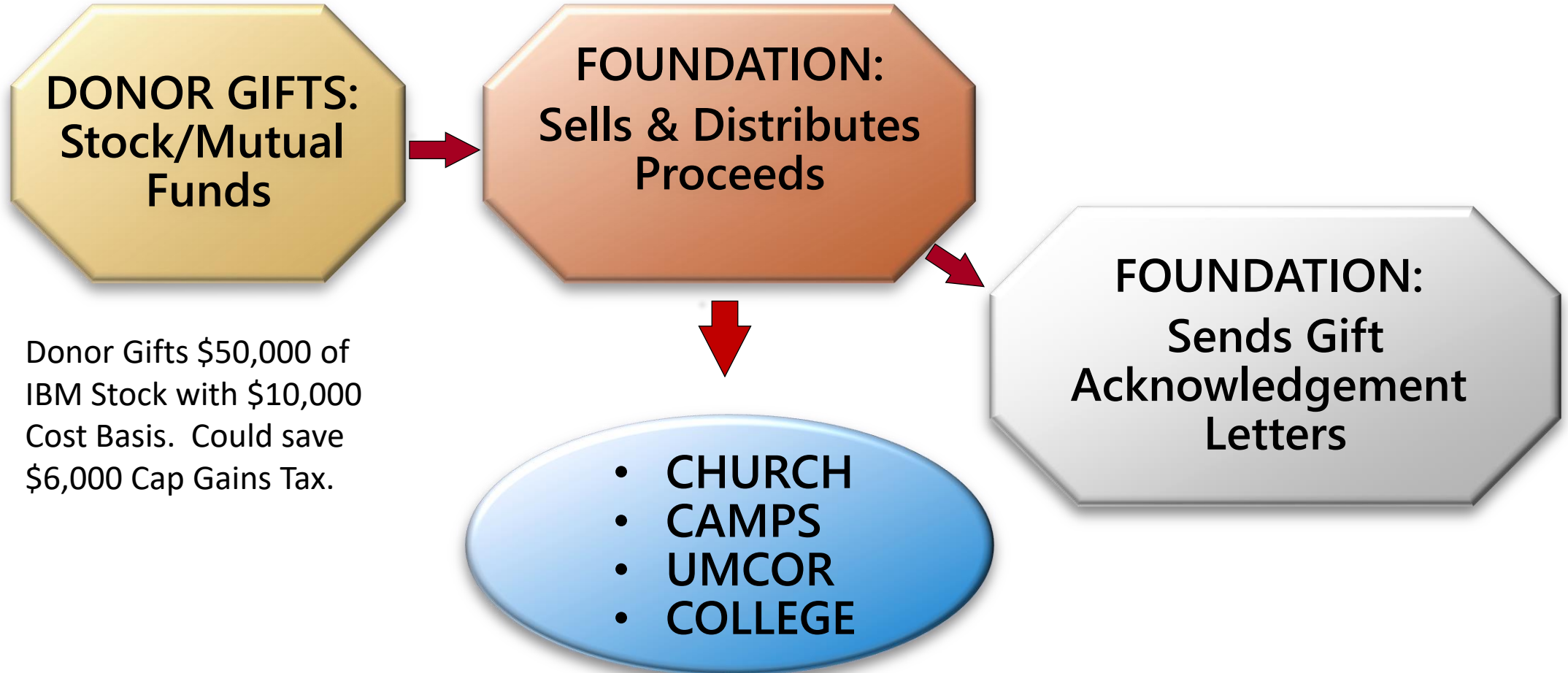


BANK OR
IRA
TRUSTEE

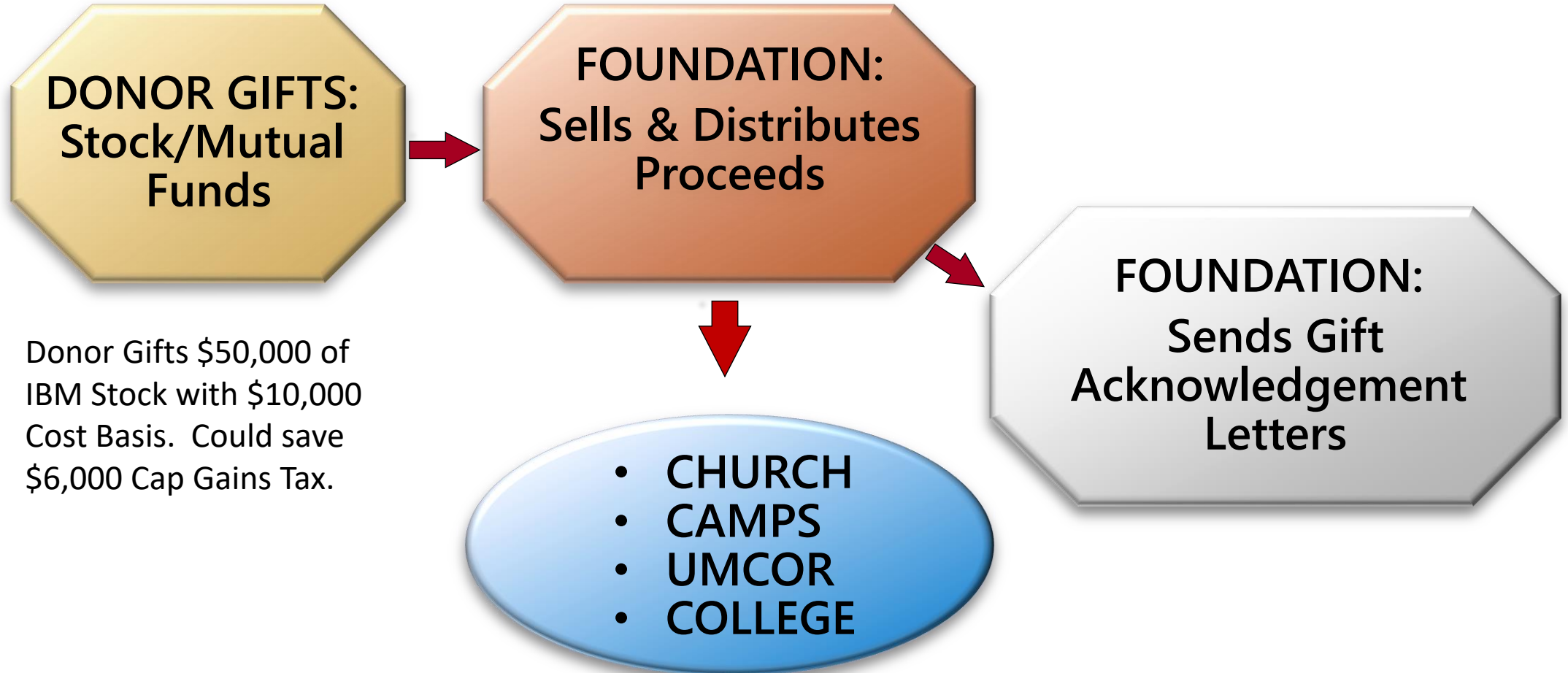


Church receives \$5,000
IRA Gift – TAX-FREE!
Bill and Ruth save \$1,100 in
Taxes!

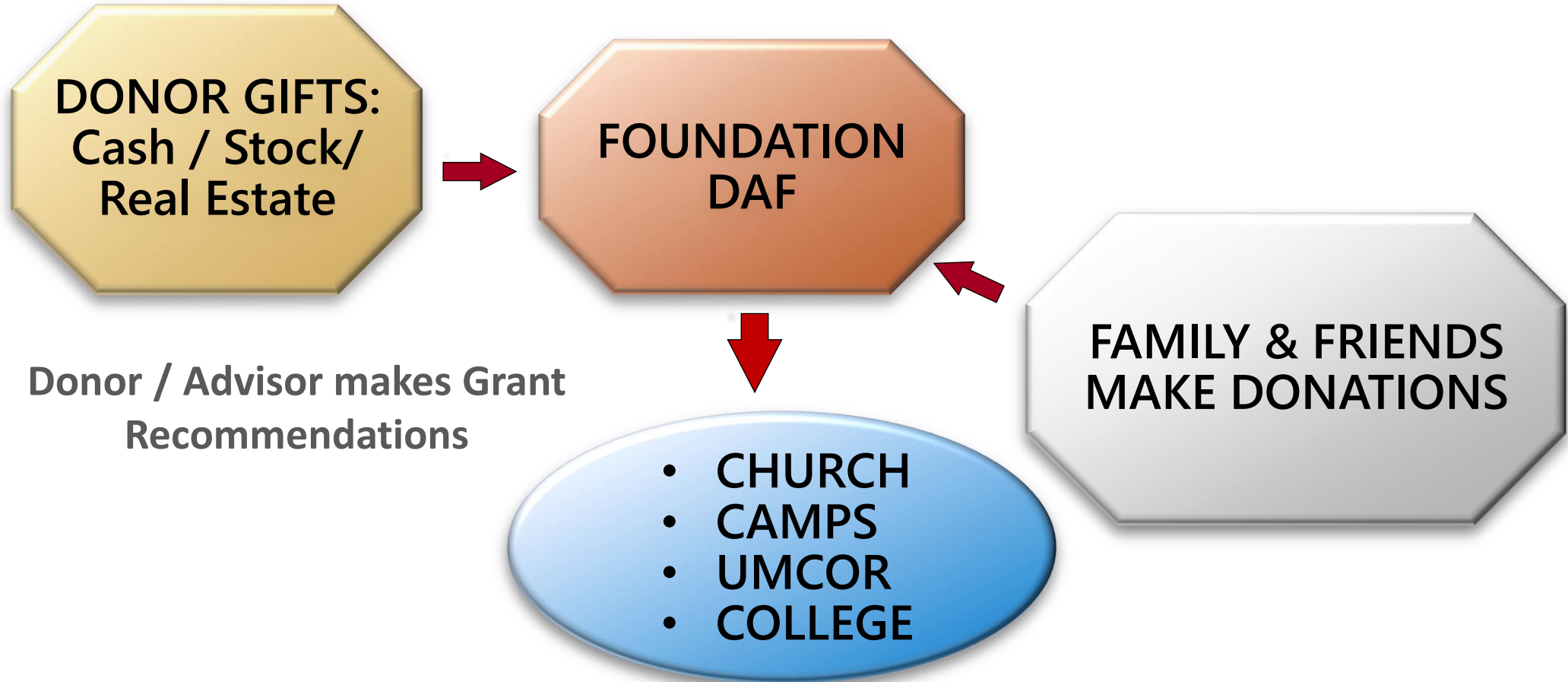
GIFTING APPRECIATED SECURITIES



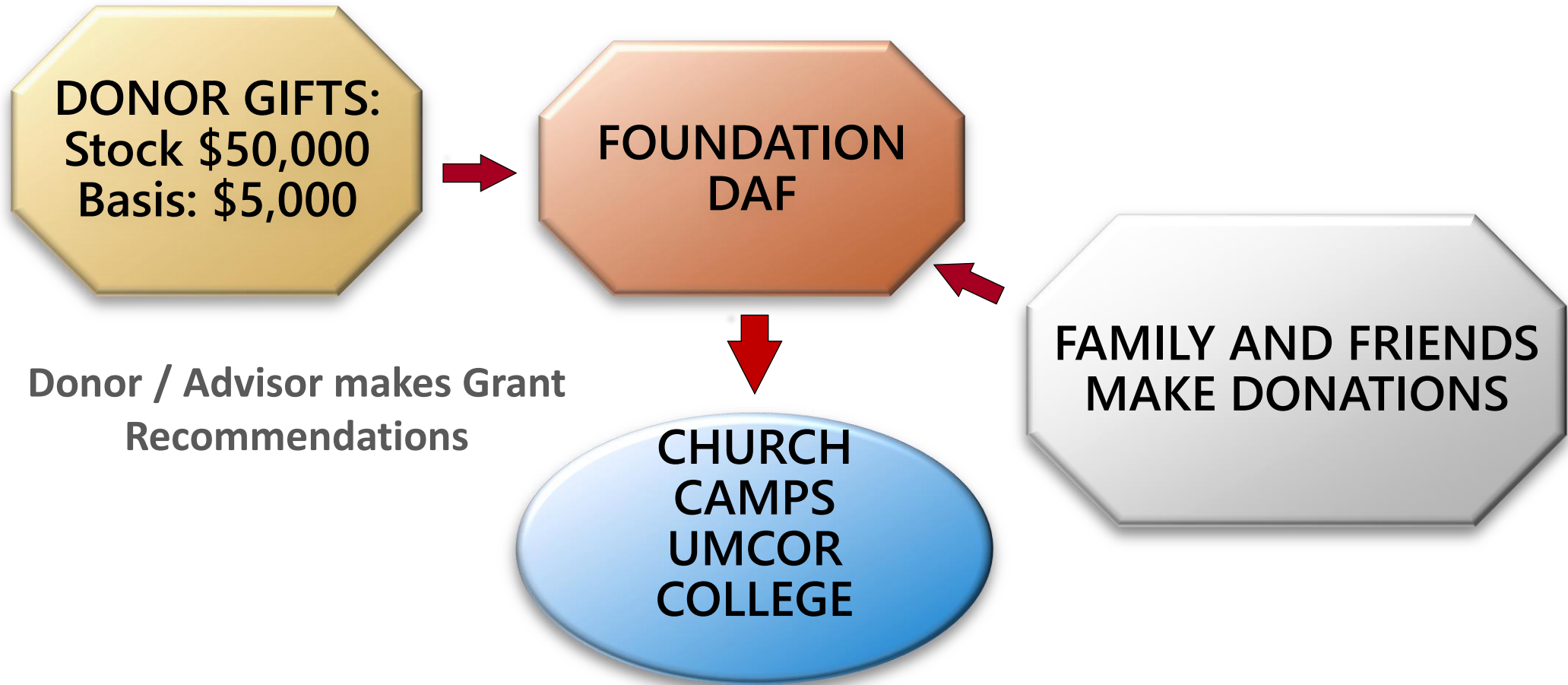
GIFTING APPRECIATED SECURITIES



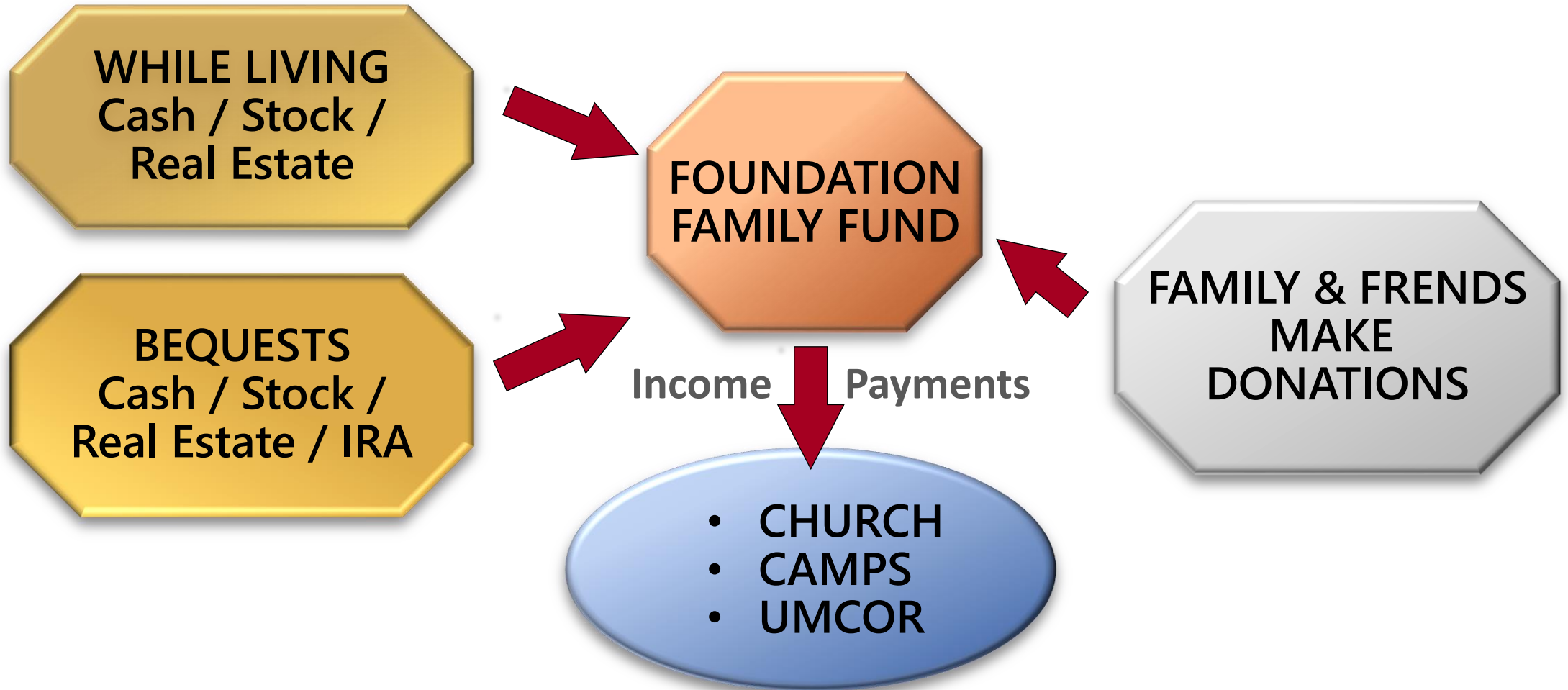
THE DONOR ADVISED FUND - DAF



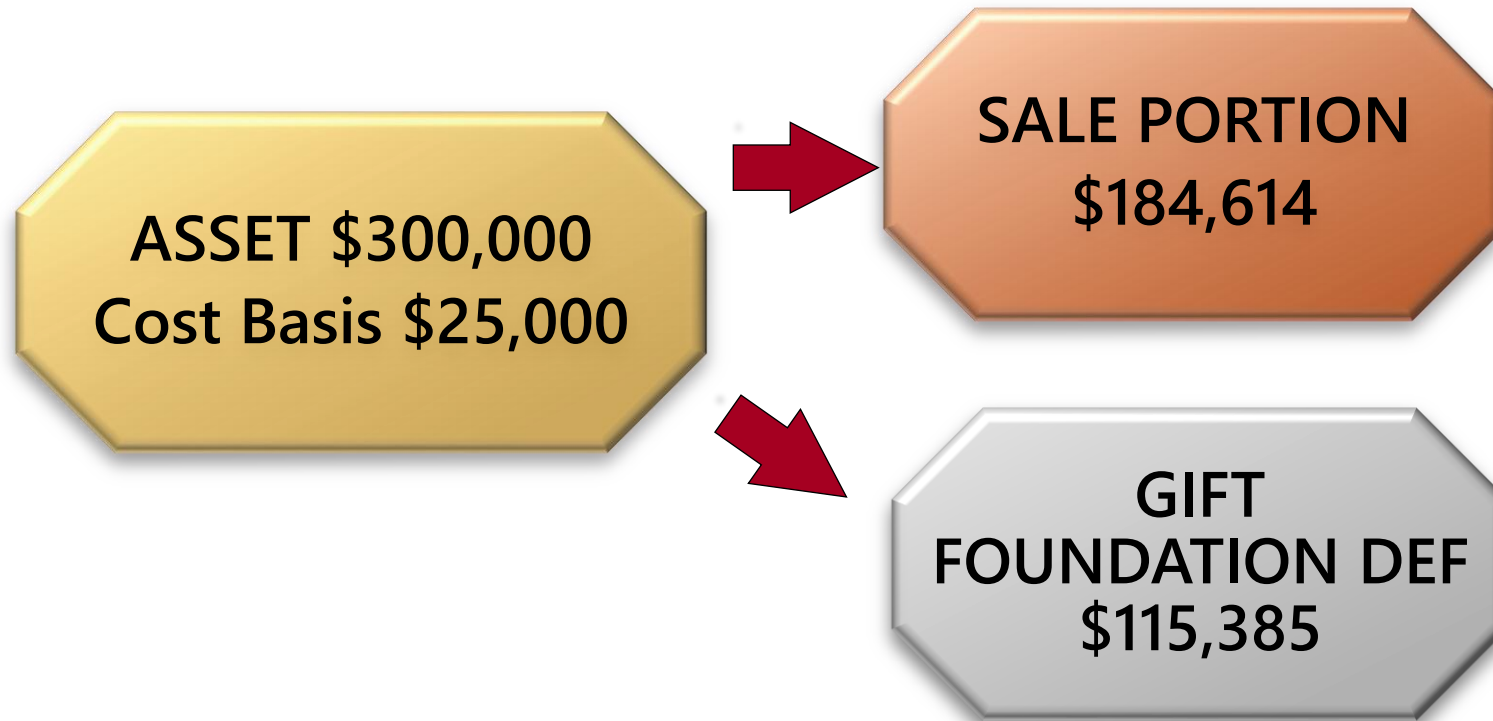
THE DONOR ADVISED FUND - DAF



THE DONOR ENDOWMENT FUND - DEF



CREATIVE CHARITABLE TAX PLANNING: The Sale + Gift



BENEFIT TO DONOR

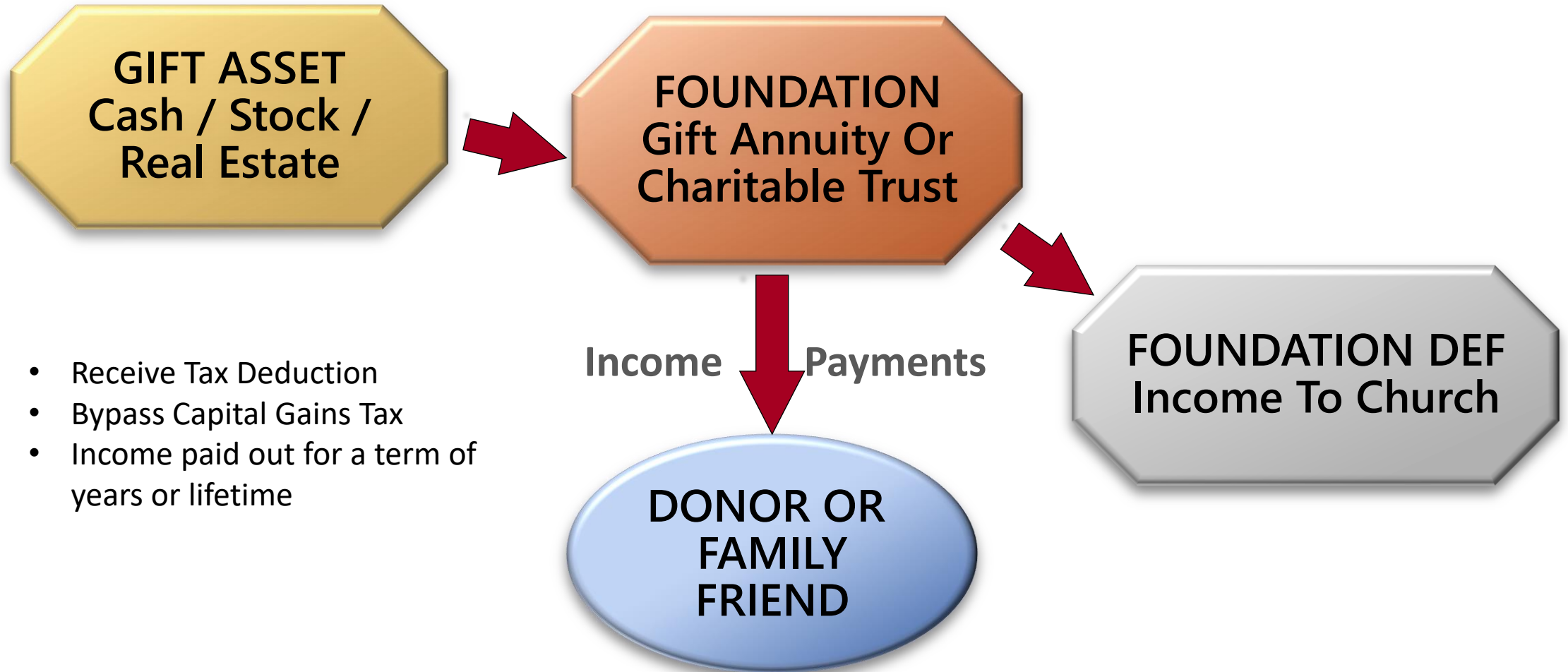
Cash Sale: \$184,614

Tax on Gain: \$ 25,384

Taxes Saved: \$ 25,384

NET TO DONOR \$184,614

SPLIT THE GIFT : Income & Principal





CHARITABLE GIFT ANNUITY

THE CHALLENGE



CD's are maturing

You want more income

Interest rates are low

What can you do?

THE SOLUTION



Higher
rates –
Senior
ages

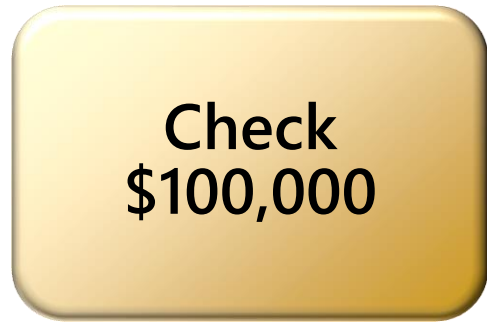
Fixed
payments
for life

Income
tax
deduction

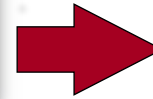
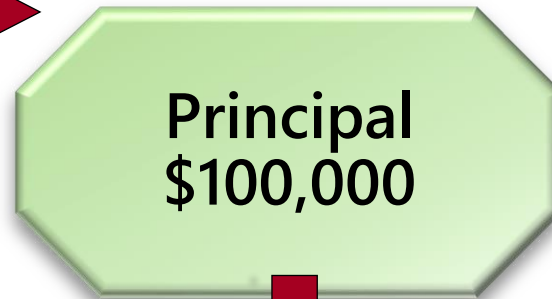
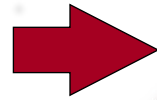
Consider a Gift Annuity

6.0% GIFT ANNUITY

One Life Age 78



Fixed payments
Income tax deduction

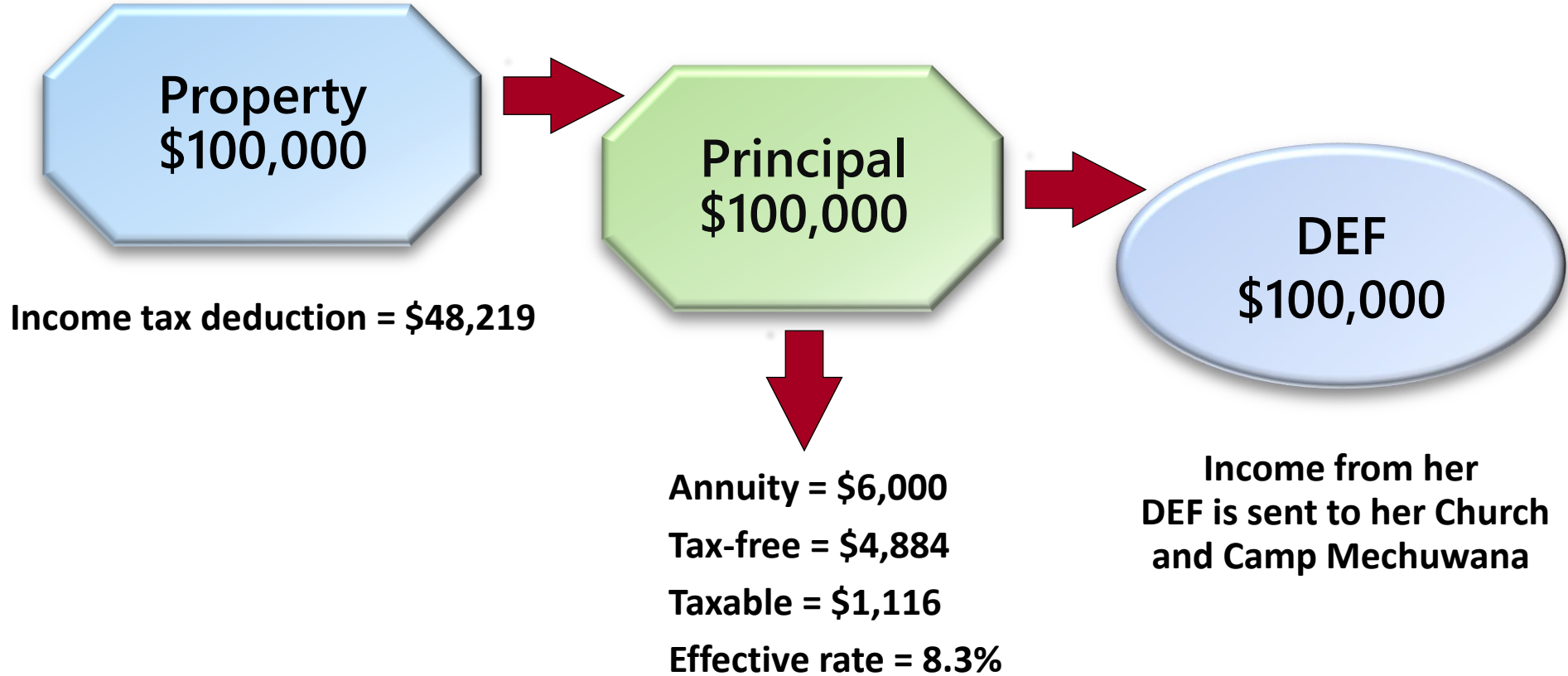


Remainder to her Donor
Endowment Fund at
Foundation



6.0% GIFT ANNUITY

One Life



6.0% GIFT ANNUITY

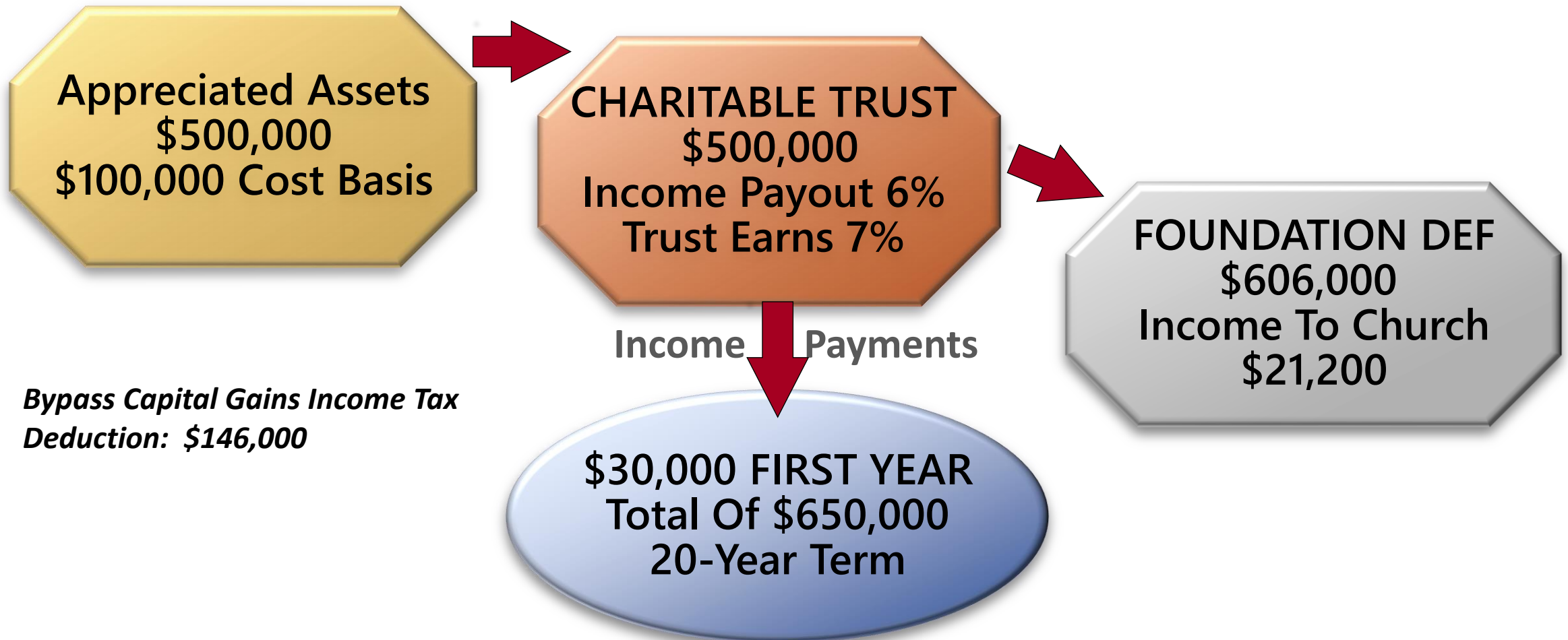


Tax-free
Payout =
\$4,884

Annuity
Payout =
\$6,000

Income
tax
deduction
= \$48,219

THE "GIVE IT TWICE" TRUST



YEAR-END GIFT PLANNING IDEAS

- Use Your Foundation
 - IRA Charitable Rollover
 - Bundle Charitable Contributions
 - Gift Appreciated Assets
 - Donor Advised Fund (DAF)
 - Foundation Donor Endowment Fund (DEF)
 - Life-Income Gift Plans
-

GLOSSARY

- **CHARITABLE IRA ROLLOVER:**

The law uses the term “qualified charitable distribution” to describe an IRA charitable rollover. A qualified charitable distribution is money that individuals who are 70½ or older may direct from their traditional IRA to eligible charitable organizations. The provision has a cap of \$100,000 for charitable distributions from individual IRAs each year. Individuals may exclude the amount distributed directly to an eligible charity from their gross income.

- **DONOR ADVISED FUND (DAF):**

A DAF is like a charitable investment account, for the sole purpose of supporting charitable organizations you care about. When you contribute cash, securities or other assets to a DAF or a public charity, like the United Methodist Foundation of New England, you are generally eligible to take an immediate tax deduction. Then those funds can be invested for tax-free growth and you can recommend grants to an IRS-qualified public charity.

- **DONOR ENDOWMENT FUND (DEF):**

The DEF is a charitable investment account established and held at the Foundation. The donor designates charitable organizations: churches and/or related agencies of the United Methodist Church as income beneficiaries. When you contribute cash, securities or other assets to your DEF at the Foundation you are eligible, depending on your tax situation, to take a tax deduction. Those funds are invested for tax-free growth and you can name any church or related agency of the United Methodist Church as the income beneficiary, including contingent beneficiaries. You can determine when the income payments to the beneficiaries begin.

- **CHARITABLE REMAINDER TRUST (CRT):**

A CRT is a “split interest” giving vehicle that allows you to make contributions to the trust and be eligible for a partial tax deduction, based on the CRT’s assets that will pass to charitable beneficiaries. You can name yourself or someone else to receive an income stream for a term of years (no more than 20) or for the life of one or more non-charitable beneficiaries. You can then name one or more charities to receive the remainder of the donated assets.