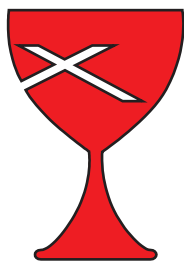


**A Disciples Overview:**

# Creating Your Charitable Legacy

*Knowing and Understanding  
Your Giving Options*



**CHRISTIAN  
CHURCH  
FOUNDATION**

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*Helping Disciples Make a Difference*



# ***INTRODUCTION***

Legacy planning provides a lasting and final witness to the individuals we love and lets us make an enduring statement of faith, leaving an important mark on our congregations and other church-related ministries.

For many of us, there is a compelling desire to make a difference by leaving a lasting impact on the people most dear to us and on the world in which we live. Our desire to impact the future, while also expressing our gratitude to those who have gone before us, leads many of us to ponder our legacy.

This booklet provides an overview of ideas to help you understand how thoughtfully planning your legacy will allow you to make the greatest possible gifts to your family, your friends, and your beloved charitable causes. Legacy planning that bears witness to your values doesn't need to be complicated. The benefits of legacy planning include:

- Making gifts to your family and friends that consider their unique needs and abilities;
- Fulfilling philanthropic and other legacy goals;
- Increasing your total estate value by reducing or eliminating taxes; and,
- Adding comfort and security to your final years, while reducing the burden that an unplanned estate will put on your heirs.

Legacy planning is a key step in stewarding the assets we have accumulated during our lifetime – including such things as real estate, personal property, stocks and bonds, retirement accounts, savings accounts, and life insurance.

## ***Legacy Gifts***

There are many ways to make legacy gifts. Understanding your assets and your options is the first step in designing a plan that fits your individual needs and goals.

We at the Christian Church Foundation can provide assistance as you seek to gain a better understanding of your charitable options or as you prepare to meet with your attorney or other advisor. When you meet with a Foundation representative, we will listen to your hopes for your family and for the ministries that are most important to you. We can work with you and your advisors to identify charitable options that will maximize the total value of your estate and provide outright or stream-of-income gifts for your family and friends.

## ***Estate Plans***

The estate plan is a written expression of your intentions for the protection and preservation of your assets during your lifetime and their management and distribution upon death. While a will is vital, it alone does not make an estate plan. A good estate plan considers a power of attorney for your finances should you become incapacitated, the appointment of someone to make medical decisions for you if the need arises, and the guardianship of any dependent children. When considering your estate plan, it is important to know which assets will be transferred to your heirs based on the instructions in your will or trust and which assets will pass “by contract” – outside of the instructions documented in your will or trust. Understanding the power and the pitfalls of joint ownership or beneficiary transfers of cash and investment accounts, retirement accounts, insurance proceeds, and real estate is an important task when preparing an estate plan that will achieve your objectives.

# ***GIVING TO BENEFIT MINISTRY NOW***

You already know the joy in giving! Making a current gift to ministry provides you with the chance to see your gifts put to use. If you hold appreciated marketable securities, there are extra tax benefits available when you make your gift with those assets. You might even consider a gift of real estate to make a major gift benefiting a ministry that is meaningful to you. By avoiding the capital gain taxes, you can choose to either make a larger gift or to make your gift at a lower cost to you. If you are secure in your retirement needs, accelerating a portion of your planned gifts could provide you with tax benefits.

## ***Creating a Permanent Fund***

A permanent fund with the Christian Church Foundation combines many of the benefits of giving now and giving over time. Permanent funds, created during a donor's lifetime, can be an early step in a

family's legacy planning – allowing donors to see and enjoy the benefits of perpetual, sustaining gifts to causes meaningful to you. Invested for the long term, permanent fund gifts can provide annual income to your chosen ministries while continuing to grow and support those ministries in perpetuity. The benefits of permanent funds extend beyond the fund's regular distribution of income. Professionally managed investments, held by the Christian Church Foundation with a clear endowment purpose, reduce the administrative burden that can occur when charities are not prepared to receive endowment gifts. Permanent funds at the Christian Church Foundation can be started during a donor's lifetime, or with funds transferred at the donor's death. You, along with your friends and family, may add to your permanent fund at any time. Your Permanent Fund Gift Agreement may be updated as your wishes change.

***Kittie Blankenship***, recognizing the key role a minister played in her own faith journey, made a gift to create a named permanent fund in that minister's honor. Each year, in that minister's name, the income from Kittie's fund supports continuing education scholarships for other ministers.

Upon the retirement of another important minister in her life, Kittie added another gift to that named fund and changed the fund's name to honor both ministers.

Kittie has discovered new opportunities to support ministers, especially those who are recent seminary graduates. These new discoveries led Kittie to modify how the income from her fund is distributed,

directing it to benefit programs which provide support for new pastors.

Kittie continues to make gifts to her permanent fund. Most of all, she enjoys hearing stories about how her gift is helping new pastors become more equipped in their ministries.



# ***GIVING TO BENEFIT MINISTRY NOW***

## ***The Steward's Donor-Advised Fund***

A donor-advised fund provides donors with the opportunity to make current, tax-deductible charitable gifts and then later “advise” gifts to the donor’s chosen charitable beneficiaries. Donor-advised funds are useful to donors who understand the benefits of making their charitable contributions using appreciated stock and donors who seek to increase their charitable gifts during peak earning years, with the charitable distributions made in later years. The Christian Church Foundation offers the steward’s donor-advised fund for such individuals.

A steward’s donor-advised fund can be started with a minimum \$10,000 gift of cash or marketable securities. After making the gift, the donor retains the right to advise:

- The donor’s preference regarding the investment of the donated funds;
- The ministry or other charitable causes the donor wishes to benefit; and,
- The amount and timing of desired distributions to the donor-advised causes.

Investment gains in the fund are not taxable to the donor and, additions to an existing steward’s donor-advised fund can be made at any time.

***Larry and Diana Brown*** are longtime members and leaders in the Christian Church (Disciples of Christ). For more than a decade, the Browns have maintained a steward’s donor-advised fund with the Christian Church Foundation. Their steward’s donor-advised fund allows Larry and Diana to enhance their generosity to their favorite causes, even during their retirement.



The Browns say, “We have historically given to a wide variety of local, state, national, and international charities each year. We believe in sharing what God has blessed us with as well as being good stewards. With this fund, we are able to more closely manage our giving while still being able to take advantage of the tax deductions for charitable gifts.”

“We appreciate being able to have investment input and excellent investment options.” The Browns identify the desired recipient of a distribution and set the amount. The Christian Church Foundation verifies the recipient’s charitable tax status, issues the checks, and does all the follow-up work. “The Foundation staff members give us very personal attention. They are always attentive to our particular plans.”

“The steward’s donor-advised fund allows us to continue giving to the wider Church, education, health organizations, special causes, and local entities,” Larry says. “We want to use God’s gifts to make a difference in the lives of people here and to the ends of the earth.”

# ***GIVING TO BENEFIT MINISTRY LATER***

## ***Life Insurance, Retirement & Investment Accounts***

Life insurance proceeds generally pass to the named beneficiaries outside the provisions of the insured's Last Will & Testament. In a similar manner, retirement funds (including traditional or Roth IRAs, 401(k)s, 403(b)s, or similar plans) typically pass to the beneficiaries named on those accounts.

Oftentimes, cash and investment accounts – or even the ownership of a person's home – will be jointly held or will include the option to directly transfer these assets at death.

**When reviewing your estate plans, don't forget the important task of reviewing how your assets are titled as well as your beneficiary designations to be sure they reflect your wishes.**

A good understanding of how assets transfer can provide an inexpensive way to update your overall legacy plan. One great option is to use your tax-burdened assets (which includes many retirement accounts) for some portion of your charitable legacy giving. Transferring these assets to a tax-exempt ministry (including your permanent fund at the Christian Church Foundation) is

straightforward. Giving the church these tax-burdened assets is an ideal way to maximize the total inherited value of your estate.

Designating the church as the beneficiary, or contingent beneficiary, of your retirement funds can be efficiently updated as your assets or your needs change. Insurance policies and other directly transferable assets follow a similar process.

- Notify your retirement plan administrator or custodian, insurance company, or investment firm of your wishes,
- Designate all or some percentage of your account to pass to charity, and
- Keep a copy of your most current beneficiary designations or transfer instructions along with your other estate documents.

These beneficiary designations have the added benefit of being flexible and revocable, allowing you to continue to make changes to your legacy plans as your needs or your family needs change.

***Bryant McDaniel*** is a member of Sandy Springs Christian Church near Atlanta, Georgia. The church's ministries have directly impacted the lives of Bryant and his family. In addition to Bryant's lifetime of faithful stewardship, his estate plan includes a gift to his congregation.

"We've designated Sandy Springs Christian Church as a partial beneficiary of my IRA. We want to ensure that we are doing what we can so that Sandy Springs Christian Church can continue to give others the

same opportunities to learn about a new way of being in the world, to realize the meaningful relationships that you can build here, and to experience the love and grace of God we have experienced at Sandy Springs Christian Church."



# ***GIVING TO BENEFIT MINISTRY LATER***

## ***Will or Living Trust***

A popular way to leave a transformative gift to ministries meaningful to you is to include those ministries in your legacy plans. Distributions from your estate can add to gifts started during your lifetime or serve as a final witness to a life lived in service to others. End-of-life gifts can be provided for in your last will & testament, in your living trust, through beneficiary designations, or through a combination of these planning strategies.

The benefit to your loved ones and to your own peace of mind makes legacy planning well worth the time invested, even if it seems to be a daunting task. We all know stories of those whose final estate was distributed in ways that were completely contrary to that individual's wishes due to their lack of planning.

An early step in legacy planning is to gather a list of what you own. It is important to understand which of your assets will pass "by contract" - not governed by the directions included in your will or trust. This is generally the case with accounts held jointly with another person, accounts that include beneficiary designations, and accounts with "Pay on Death" or "Transfer on Death" instructions.

After you understand which of your assets will be distributed based on the directions in your will or trust, the thoughtful preparation of these documents can assist you to:

- Provide for your beneficiaries in ways that consider each recipient's needs.
- Determine the guardian for any minor children.
- Leave a legacy with the gifts that have been yours to steward during your lifetime.

To make sure your goals will be accomplished, you should obtain counsel from professional advisors who specialize in legacy planning. Christian Church Foundation officers are available to help you prepare for that meeting.

You may want to complete an inventory of your estate before meeting with legal professionals. A free inventory workbook is available by calling (800) 668-8016 or by visiting our website, [www.christianchurchfoundation.org](http://www.christianchurchfoundation.org).

***Karen Burniston*** had a big heart – a spiritual heart that embraced life and its many challenges. A captain while serving as a nurse in Vietnam, she later held executive posts at several hospitals.

Karen was passionate about many things, but it was her love of God, church, and family that inspired her the most.

At her death in 2008, she divided her estate to care for loved ones, and also to provide for the Christian Church of Indiana, where she had served on the Regional Board and Finance Commission. She left 5 percent of her estate to a permanent fund at the Christian Church Foundation. Karen's fund makes annual gifts to the Christian Church in Indiana.

Karen's fund is an ongoing witness to a life well lived and to Karen's faithful support of regional ministry.

# ***GIVING TO BENEFIT MINISTRY LATER***

## ***Life-Income Gifts***

As you enter your retirement years, you may realize that you have more than enough savings for your needs. If this is true for you, there can be significant tax benefits realized with different types of charitable gifts.

Although small in stature, when ***Mary Walton Lawson*** spoke, people listened – especially her church family at Mississippi Boulevard Christian Church where she was a humble yet respected member of the church.



The retired schoolteacher spoke up at one of the meetings where the congregation's leaders were gathered. Before the meeting ended, she boldly "offered a witness," telling of her own gift plans and promoting the importance of planned gifts and endowments that would help the church broaden its ministry. The good seeds that Mary planted that day found fertile ground, as others in that congregation were motivated to follow Mary's faithful example!

During her lifetime, Mary completed a series of charitable gift annuities. Some annuities provided for her in her later years; others provided for her two stepchildren. The charitable remainders of all of Mary's gifts will benefit her congregation.

## ***Charitable Gift Annuity***

A charitable gift annuity is a popular gift option that addresses both the desire for a stable source of funds to meet a retiree's income needs and the desire to provide for a legacy gift supporting donor-selected ministries.

Funding a charitable gift annuity is a straightforward process. In exchange for your irrevocable gift of cash or marketable securities, the Christian Church Foundation pays you, and/or your loved one, a fixed annuity payment for life. This regular annuity payment is not subject to market fluctuations. The designated annuitant(s) will receive the annuity payment for the remainder of their lives. Because annuity payments continue at a fixed amount, they are most appropriate for individuals during their retirement years, when market volatility is a bigger concern than inflation. A charitable gift annuity can be written for one or two lives; the maximum annuity payment is determined by the age(s) of the annuitant(s), with older annuitants receiving the highest payout rates. A charitable deduction is available to the donor for a part of the contract value, and a portion of the annuity payment is normally tax-free to the annuitant. The donor-selected charitable beneficiary will receive the residual assets that remain after the last annuitant's lifetime, or the residual value can be added to the donor's permanent fund.

## ***Deferred Charitable Gift Annuity***

A deferred charitable gift annuity provides an opportunity to fund a charitable gift annuity before the annuitant needs the security of the fixed annuity payments. An irrevocable gift is made to fund the annuity, but annuity payments are delayed until after a donor-selected future date. This option provides higher annuity payout rates and is popular with individuals wanting to supplement their future retirement income. The annuity payout rate is determined by the age of the annuitant(s) when the contract is signed and the length of any deferral period.

For a confidential, no-cost charitable gift annuity proposal, call the Christian Church Foundation at (800) 668-8016.

# ***GIVING TO BENEFIT MINISTRY LATER***

## ***Life-Income Gifts***

### ***Charitable Remainder Trust***

A charitable remainder trust can be a flexible way to make a future gift to the church. Charitable remainder trusts can be funded with cash, marketable securities, debt-free real estate property, and a wide variety of other marketable assets. Charitable remainder trusts can provide flexible or fixed trust payments to benefit the donor or their chosen beneficiaries and can be a great way to minimize capital gains taxes on highly appreciated assets. The trust payments can be paid to beneficiaries for their lifetime or for a specified number of years, not to exceed 20 years.

Many parents, when considering whether their children would benefit most from a lump-sum estate gift or a gift that will provide them income over many years, will decide that an income-producing gift (or the combination of both an income and lump-sum gift) provides the best way to leave an inheritance to their children or grandchildren. Charitable remainder trusts can be drafted to receive testamentary asset transfers that will provide income for the donor's children, grandchildren, or other family or friends. At the termination of the trust, the remaining trust assets will be added to the donor's permanent fund or distributed to the charitable causes selected by the donor.

One family, when establishing charitable remainder trusts to benefit their children and grandchildren, explained their motivation this way: "When we die, we want our kids and grandkids to receive this quarterly check from the Christian Church Foundation and we want them to know two things. First, we hope they will remember with every quarterly check that we loved them. **Second, we hope they will be reminded that we loved the church.**"

***Every charitable gift creates some sort of legacy that honors the faith and values of its donor.***

There is no single answer that meets the needs of every donor, but there are many options for those who desire to make a gift that will bless generations to come.

We know these options present a lot to consider. If you call on us for assistance, know that our priority will be to listen to you. We want to hear your dreams and your concerns about the church and your family so that we can help you and better understand the charitable options that will serve your particular needs.

When you're ready to begin, we're here to help. Call us at (800) 668-8016 or visit our website, [www.christianchurchfoundation.org](http://www.christianchurchfoundation.org).

***Dee Clark*** inherited Illinois farmland from her parents. She decided to donate one of the tracts into a charitable remainder trust that would provide a stream of income to herself and her daughter for life.

At the end of the life of the trust, the remainder will go into her named permanent fund at the Christian Church Foundation, providing annual income distributions to her congregation and two Disciples charities meaningful to Dee.

The charitable trust benefited Dee's tax situation, allowed her to donate the property outside of her estate, and provides Dee a dependable stream of income.

## Creating Your Legacy: Matching Your Goals with Your Gift

Your Gift	Your Goal	Making a Gift	The Benefits	Minimums
Outright Gift	Make a quick, easy, and immediate gift	Write a check, make a cash donation, or donate with credit card online	<ul style="list-style-type: none"> <li>• Immediate income tax deduction</li> <li>• Property no longer in estate</li> </ul>	None
Gift of Securities	Avoid capital gains tax	Contact your broker; contribute appreciated stock or securities held for more than 1 year	<ul style="list-style-type: none"> <li>• Immediate income tax deduction</li> <li>• Avoid capital gains tax</li> <li>• Property no longer in estate</li> </ul>	None
Creating a Permanent Fund at CCF	To provide a consistent stream of income to the church in perpetuity	Give cash or appreciated asset during life, or name CCF as the beneficiary of retirement assets, life-income gifts, or a portion of your estate	<ul style="list-style-type: none"> <li>• Ongoing stream of income to ministries chosen by donor</li> <li>• Flexibility to change charitable beneficiaries during life</li> <li>• Tax deduction on gifts</li> </ul>	Distribution begins when fund reaches \$10,000
Gift of Retirement Assets	Avoid taxation on assets held in traditional IRAs and other employee benefit plans	Name the church as the whole or partial beneficiary of the remainder of assets after lifetime	<ul style="list-style-type: none"> <li>• Maximizes your estate value by leaving taxable assets to charity</li> </ul>	None
Bequest	Provide a legacy gift in your will	List the church for a fixed dollar amount or a percentage of your estate	<ul style="list-style-type: none"> <li>• Defer your gift and retain assets during life</li> <li>• Possible tax savings</li> </ul>	None
Gift of Real Estate	Make a gift of property no longer needed and generate an income tax deduction	Donate the property to the church	<ul style="list-style-type: none"> <li>• Immediate income tax deduction</li> <li>• Reduction or elimination of capital gains tax</li> </ul>	None
Charitable Gift Annuity	Exchange a portion of your assets for fixed annuity payments	Establish a charitable gift annuity with the Foundation that pays a set amount for life	<ul style="list-style-type: none"> <li>• Partial income tax deduction</li> <li>• Fixed payments for life to one or two persons</li> <li>• Remainder to charitable causes</li> </ul>	\$5,000
Charitable Remainder Trust	Make a gift and secure a stream of income	Create a trust that makes payments; at termination, the remainder is distributed to the church	<ul style="list-style-type: none"> <li>• Variable or fixed income for life or set number of years</li> <li>• Immediate charitable income tax deduction</li> <li>• Remainder to charitable causes</li> </ul>	\$250,000
Gift of Life Insurance	Transfer paid-up policy that is no longer needed	Transfer ownership of unneeded policy for immediate tax deduction or change beneficiary to church for charitable legacy	<ul style="list-style-type: none"> <li>• May receive current income tax deduction</li> <li>• Future flexibility when beneficiary is the church</li> </ul>	None
Steward's Donor Advised Fund	Maximize income tax savings in one year	Make a gift of cash or marketable securities	<ul style="list-style-type: none"> <li>• Immediate income tax deduction</li> <li>• Flexibility in the amount and timing of future gifts</li> </ul>	\$10,000

The Christian Church Foundation, Inc., is an integral part of the Christian Church (Disciples of Christ). It is, therefore, included in the group listing of the General Assembly of the Christian Church (Disciples of Christ), Inc., which carries Group Exemption Number 1125. The legal title of the Christian Church Foundation is Christian Church Foundation, Inc. The taxpayer identification number of the Foundation is 35-1164552.

The General Assembly of the Christian Church (Disciples of Christ) is shown on the Cumulative List of Organizations, described in Section 170(c) of the Internal Revenue Code of 1986. To see a complete listing of such organizations, visit [www.irs.gov](http://www.irs.gov) and do a search for the Exempt Organizations “Select Check Tool.”

The Christian Church Foundation, Inc., subscribes to the “Model Standards of Practice of the Charitable Gift Planner” adopted in 1991 and revised in 1999 by the National Committee on Planned Giving and the American Council on Gift Annuities.

This overview provides summary descriptions for a variety of gifts. The overview deals only with federal taxes, but state taxes also need to be considered. This overview has been prepared in light of current law and is believed to be accurate. It is not intended, however, to give legal advice or opinion. You should consult your attorney about the applicability of the legal principles contained in this overview to your situation.

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*The Christian Church  
Foundation helps Disciples  
make a difference forever  
and discover the joy  
of serving Christ through  
the sharing of their resources.*



**CHRISTIAN  
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*Helping Disciples Make a Difference*

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