

Ways to Give

It is more than just your wills and trusts

HIGHLAND PARK UNITED METHODIST CHURCH WOULD LIKE YOU TO JOIN THE LEGACY SOCIETY, AN HONORARY GROUP OF HPUMC MEMBERS WHO HAVE DECLARED A GIFT TO SUPPORT THE FUTURE NEEDS OF OUR CHURCH'S MINISTRY AND MISSION. THERE ARE MANY MANY WAYS TO JOIN THE LEGACY SOCIETY. THE PERMANENT ENDOWMENT AND PLANNED GIVING COMMITTEE CAN HELP YOU DETERMINE WHICH TYPE OF GIFT IS BEST FIT FOR YOUR CHARITABLE GIVING GOALS AND FINANCIAL OBJECTIVES.

MEMORIAL GIFTS

There are several ways to memorialize those dear to you. Gifts can be made to HPUMC in memory of deceased persons, to honor living persons, or to commemorate anniversaries or other special events.

CHARITABLE BEQUESTS: WILL OR TRUST

Including a charitable bequest as a part of your will is a great way for you to provide long-term support for HPUMC while also effectively managing your estate.

To leave a bequest to HPUMC, you must specifically do so in a will or trust. Your will or personal trusts are legal records of your wishes regarding how your assets should be handled at your death. Instruction regarding the dispensation of your assets are called bequests.

Charitable bequests are not subject to estate or inheritance taxes, therefore reducing the tax burden of an estate. Charitable bequests also provide flexibility and may be changed at any time. Your estate will be entitled to a charitable deduction for the full, fair market value of your gift. HPUMC can assist you and your attorney with the standard legal language necessary to establish your charitable bequest.

- **GENERAL BEQUEST:** A specified dollar amount is identified to HPUMC.
- **SPECIFIC BEQUEST:** Particular property intended for HPUMC to receive is identified.
- **RESIDUARY BEQUEST:** HPUMC will receive a remainder of your estate after all liabilities and other bequests have been paid. It may augment a general or specific bequest to HPUMC if the size of the estate allows, or may ensure that other beneficiaries receive their bequests prior to distribution to HPUMC.
- **PERCENTAGE BEQUEST:** You may direct that HPUMC receive a percentage of your estate or residuary estate. In this case, if the size of your estate changes, the bequest will change proportionately.
- **CONTINGENT BEQUEST:** It is important to anticipate a situation in which a beneficiary might die before you or choose to disclaim the property. To prepare for such an occurrence, consider naming HPUMC as the contingent beneficiary.

CHARITABLE REMAINDER TRUST

A charitable remainder trust is an efficient estate planning vehicle. It is a special type of trust that provides for and maintains two sets of beneficiaries. The first set are the income beneficiaries (you and, if married, a spouse). Income beneficiaries receive a set percentage of income for your lifetime or for a fixed term not to exceed 20 years from the trust. The second beneficiary would be HPUMC. HPUMC would receive the principal of the trust after the income beneficiaries pass away.

CHARITABLE GIFT ANNUITY

A charitable gift annuity is a way for you to receive a guaranteed income for life and an immediate income tax reduction, while at the same time leaving a legacy to HPUMC.

When you transfer assets to a Charitable Gift Annuity, you receive a fixed stream of income for life. After paying the lifetime annuity to you — and your spouse, if you choose — the remaining principal is transferred to HPUMC. Payments to you are based on your age — the older you are, the higher the rate. If the annuity is for you and your spouse, the calculation

is based on your joint ages. You can choose to receive payments quarterly, semi-annually, or annually. If you do not need the income now, you can use a deferred plan, receive the income tax deduction now, but begin receiving payments when you reach a specific age. This is an excellent complement to your existing retirement plan.

The tax advantages of both a current and deferred annuity are two-fold. First, you receive an immediate income tax charitable deduction when you create your annuity. The amount of the deduction is based on your age and annuity payout rate. Second, a portion of the payments you receive may be treated either as a tax-free return of principal or long-term capital gains. These tax advantages increase the net income you receive.

RETIREMENT PLAN ASSETS

A retirement plan is one of the best types of assets to transfer to HPUMC following death because of the income tax consequences. However, an heir will pay income tax on disbursements from a decedent's retirement plans such as a profit sharing plan, Section 401 (k) plan, or IRA.

If you are going to make a charitable bequest, it is usually better to transfer assets subject to income tax to a tax-exempt charity, such as HPUMC, and to transfer assets not subject to income tax heirs.

STOCK

A gift of stock is one of the easiest methods to make a gift. If the stock has appreciated, the donor not only avoids the capital gains tax on the appreciation but also receives a charitable deduction for the full fair market value of the stock at the time of contribution.

LIFE INSURANCE

You may have purchased life insurance when you needed protection for your family, business, or estate. In later years, you have found you no longer need that insurance. If you want to achieve immediate tax benefits, you should consider irrevocably assigning an insurance policy to HPUMC. Giving life insurance as a gift to charity allows even those with modest means to leave a substantial contribution to the cause most meaningful to them. A gift of life insurance is a deferred gift, which means the proceeds from a gift committee made now will be realized in the future. Donors often struggle between their desires to achieve philanthropic goals and their need to preserve their estates for their families. A gift of life insurance can eliminate this conflict.

In addition to gifting an existing life insurance policy, a new life insurance policy can be purchased from your life insurance professional, naming HPUMC as owner and beneficiary. Initial premium payments made by the donors are deductible as charitable contributions. A gift of insurance will not reduce your current stream of income.

HPUMC AS THE BENEFICIARY

Perhaps a charitable gift sounds attractive but you are not ready to give up ownership of your life insurance. By naming HPUMC as beneficiary only or successor beneficiary, you retain ownership of the policy; have access to the cash value and the right to change the beneficiary. Because you retain ownership of the policy, there is no charitable deduction for the value of the policy upon designation of HPUMC as beneficiary or for subsequent premium payments. However, any proceeds payable to HPUMC at your death will not be subject to federal estate tax.