

CHURCH OF ST. THOMAS MORE
PLANNED GIVING OPTIONS

OVERVIEW

“Our Journey into the Future. . . Together” plan for the future of our parish campus build out was recently outlined by our parish leadership at our informational Town Hall meetings. These meetings were very well received and generated renewed excitement about our future at STM!

Our Planned Giving program is one way of helping the Parish raise the resources necessary to continue our campus build out. Planned Giving is a generic term that covers the many ways an individual can give to a charity while, in most cases, avoiding taxes. There have been changes in the tax laws that are beneficial to both the recipient and the giver.

Some examples of Planned Giving are as follows:

**WILLS, TRUSTS, ANNUITIES, REAL ESTATE,
TAX SAVINGS, ENDOWMENTS, ESTATE PLANNING,
FUNERALS/MEMORIAL GIFTS, LIFE INSURANCE**

An informational program on the various aspects of Planned Giving is scheduled for Sunday, November 7 from 12 noon to 2:30 p.m. in the lower level of our Parish Center. This is the perfect time to learn more about the various aspects of Planned Giving.

Please plan to join us and mark your calendars now!

Below we are providing a brief description of several Planned Giving options. After reviewing these options, there is contact information at the end for your convenience.

WILLS

Giving through your Will can be a convenient way to leave a lasting legacy for the Parish. After you provide for your loved ones, you may decide to give a specific amount, a percentage of your estate, or all or part of what remains after others have been remembered.

For example: Mrs. Johnson has been a parishioner of St. Thomas More for 14 years now. In her initial Will, she included St. Thomas More as a beneficiary only if her son did not survive her. Her son is now financially independent. Mrs. Johnson now decides to amend her Will to include both St. Thomas More and her son.

LIVING TRUSTS

A Living Trust is a means of creating a legal entity that becomes the owner of your property, but allows you to maintain 100% control over the same property. It is something to consider beyond a Will because Wills are subject to probate taxes and trusts are not.

There are various kinds of trusts that provide different benefits. Basically, by establishing a trust you can avoid taxes, provide an income for yourself and your spouse, as well as giving a portion of your assets to charity!

EXAMPLE: Mr. Richard Steward donates a certain amount of money to a Charitable Trust. He decides to receive a specified monthly income. He then names himself and his wife as beneficiaries. The Trust is set up to terminate upon the death of both parties, at which time the Trust will pay the remaining assets in this Trust to a charity of his choosing.

CHARITABLE LEAD TRUST

A Charitable Lead Trust is a way to reduce or eliminate taxes that would otherwise be due on assets left to your heirs. Under the terms of a lead trust, assets are transferred to a trust that pays income to the parish for a predetermined number of years. At the end of that period the assets are returned to whomever you specified at the start.

ANNUITIES

Annuities are investment contracts where a person deposits a sum of money with a guarantee that they will receive a specified rate of return from that investment.

A Charitable Gift Annuity is a generous way for a person to assist the work of the church while, at the same time, affording the giver to receive tax benefits and an attractive rate of return on the gift for the rest of their life.

The return rate depends on the owner's age.

Example: Samantha Wellness, age 70, sets up an annuity for herself. Her rate of return is 6.1%. If Samantha sets up an annuity for Steve, her 80 year old brother, Steve's rate is 7.8%.

A Deferred Charitable Gift Annuity, is one means to defer immediate returns in order to receive higher returns at a later date. For example: If you are 55 years old when you set up the annuity and choose to begin receiving income at age 65, you will have an annual rate of return of 10.5% as opposed to a return of 6.0%.

A Two-Life Charitable Gift Annuity, provides a means after your death for a person of your choice to receive the same income you did for as long as that person lives.

Various annuities offer multiple benefits. *“At a time when interest rates are declining on my savings account, certificates of deposit, and other investments, I am excited about the return I will receive on a gift annuity with the Catholic Diocese of San Diego. Best of all, I designated my parish to benefit from my gift.”*

Some Examples

One Life		<i>Payments for the remainder of your life or lives</i>	Two Lives	
Age	% of Return		Age	% of Return
90	11.3%	92/92	10.0%	
87	10.2%	87/87	8.4%	
82	8.5%	83/83	7.4%	
77	7.4%	77/77	6.5%	
72	6.7%	72/72	6.0%	

GIFTS OF PROPERTY

One of the ways in which individuals can contribute to their church while, in most cases, avoiding taxes is to give your home or other real estate to the church while still retaining the use of the asset. The satisfaction of giving, as well as a tax deduction, is enjoyed now rather than later. You continue to live and take care of the property but because you have made a gift of the property by deed, it does not pass through your probate estate at death.

Tax Savings

Federal tax laws make it possible to reduce or eliminate gift, estate, capital gain, and income taxes on funds you donate for charitable purposes. Following are a number of options for fulfilling your 2004 charitable goals in ways that feature tax savings and other benefits.

Gifts of Cash

Through gifts of cash, it is possible to eliminate tax on a significant amount of applicable income.

IRAs

If you intend to give to a charity as part of your estate plan, leaving an IRA to the charity may be the best way to fulfill that intent. Your charity of choice, being income tax-exempt, will pay no income tax on the IRA distributions it receives. Family members, in contrast, would have

to pay income tax on any distributions they receive from an IRA they inherit from you, though they would get an income tax deduction for estate taxes, if applicable.

Gifts of Other Assets

Gifts such as stocks, bonds, and mutual funds that have increased in value since you owned them, can result in tax savings.

For more information about these, or similar subjects, please contact:
Fr. Mike at (760) 758-4100, ext. 100 or michaelr@stmoside.org or
Chris Smith at (760) 758-4100, ext. 120 or chriss@stmoside.org.