

Time to Reflect on Our many

# BLESSINGS THIS YEAR!

Year-end is a perfect time to take stock and reflect on our many blessings. It seems only natural to express our gratitude with a gift. While many of these gifts will be given to family and friends, many of us have been blessed by our church and other charitable organizations. Wouldn't it make sense to remember these special organizations too?

Charitable giving is a great way to provide welcome support for others, and it also has a way of blessing the giver in return.

## Don't Miss The OPPORTUNITY

To qualify for a 2016 charitable income tax deduction, your gift must be made by December 31, 2016. Complete your gift today and you will receive the tax benefits as well as the satisfaction of supporting your favorite ministries.

For more information on giving opportunities, please contact:

# YEAR-END GIVING

Don't Let it Pass You By!

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*This publication does not attempt to make specific legal or tax advice. For advice on how to handle your individual situation, the services of a competent legal, tax, or financial planning professional should be obtained.*

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Year-End Is The Time For

# GIVING

## CASH GIFTS

A cash gift in any amount is a convenient and popular way to show your faithful support for the church or other ministries. The full amount of your gift qualifies for a 2016 charitable income tax deduction – up to 50% of your adjusted gross income.

Make certain check is dated 2016 and received or postmarked no later than December 31, 2016 to receive a deduction this year.

## APPRECIATED PROPERTY GIFTS

If you own investments that have increased in value (stocks, bonds, real estate, or mutual funds), you can donate them to a church or charity and take a charitable income tax deduction for the full fair market value and avoid declaring the capital gain of the assets as income. Many people consider this the equivalent of a “double deduction.”

SALE & GIFT	DIRECT GIFT
Stock with Fair Market Value \$1,000 (Cost Basis \$200)	Stock with Fair Market Value \$1,000 (Cost Basis \$200)
Taxable Gain on Sale \$800	Taxable Gain on Contribution \$0
Capital Gain Tax @ 15% \$120	Capital Gain Tax Due \$0
Net Sale After Tax \$880	Net Gift to Charity \$1,000
Charitable Tax Deduction \$880	Charitable Tax Deduction \$1,000
Tax Savings @ 25% \$220	Tax Savings @ 25% \$250

Notice how the Direct Gift option can result in the church or charity receiving \$120 more while costing you \$30 less! To receive this special tax treatment, you

must have owned the property for at least one year. Your gift can be deducted up to 30% of your adjusted gross income. Larger gifts may qualify for a carry-forward of amounts in excess of the 30%.

## GIVING & RETAINING INCOME FOR LIFE

Did you know you can give to a charity while retaining income from the gift for the rest of your life? A charitable gift annuity or charitable remainder trust enables you to receive flexible or guaranteed income. Plus, there are significant tax advantages.

Let's assume you are 70 years old and wish to make a \$10,000 gift to the church when you are gone, but need to receive income until then. You can make the gift now and receive several attractive benefits. First, you could receive income that exceeds what you are currently earning on the \$10,000. At age 70 you would receive 5.1% of the \$10,000 each year through a gift annuity – greater than most bonds or C.D.s. Next, a portion of the \$510 annual annuity may be tax free over your life expectancy. This can increase the taxable equivalent yield to over 6%. Finally, you will receive a 2016 charitable income tax deduction for the remainder portion of your gift. This deduction can save you \$800 or more in federal income taxes. Making a life-income gift now offers all these advantages and also provides the satisfaction of knowing you have helped your church or charitable organization in a significant way.

## GIVING UNNEEDED LIFE INSURANCE

Do you own an old life insurance policy that is no longer needed? Perhaps the purpose for the policy no longer exists (your children are grown or your mortgage is paid off) or your financial situation has changed and mitigates the need for the insurance. Consider giving the policy to the church or a charity and receive a charitable income tax deduction for the

lesser of your cost basis or the replacement value. This is a great way to benefit a cause you support without reducing your checking account. If the value is more than you wish to donate, consider cashing in the policy and giving a lesser portion. Your gift may sufficiently reduce or eliminate any potential taxes due from the sale.

## MEMORIAL GIFTS

As you think of those special persons (a teacher, pastor, relative or other loved one) who have touched your life, you may want to do something “just right” to demonstrate that they are remembered. A memorial tribute can be a satisfying way to salute those whose memories continue to enrich our lives.

## WISE TAX PLANNING

Making extra gifts or accelerating future gifts into the 2016 tax year can enable an itemized income tax deduction. The standard deduction threshold for 2016 is \$12,600 for joint filers and \$6,300 for singles. If your total deductions are less than those amounts, you won't be able to deduct any charitable gifts. An extra year-end gift may add just enough to allow you to take advantage of your full itemized deduction. Many tax-wise donors accelerate contributions for the coming year to enable itemization at least every other year.

## EXPRESSING FAITH

Year-end is also the Christmas season. For many Christians this is an occasion to give in gratitude for God's greatest gift to us, Jesus Christ. In all our giving, let us never forget these familiar words, “For God so loved the world that he gave his only son...” Why not make a special effort to honor Him in your giving this Christmas season – it may be your most important gift you give? May God bless you as you make this expression of your faith.