Charitable Giving Through an IRA

If you are over age 70½, the Federal government permits you to rollover up to $100,000 from your IRA to charity without increasing your taxable income or paying any additional tax. These tax-free rollover gifts could be $1,000, $10,000 or any amount up to $100,000 this year. The gift satisfies your RMD for this year.

EASY IRA GIFT

Elaine Browning, and her husband Robert, wanted to do something special in order to honor the memory of her parents, particularly her father. In 2004 she established the Frank and Wilma Craft Scholarship which is geared towards providing financial assistance to Technology or History students who are interested in becoming educators. “My dad worked so hard in school but was never able to go a full year because he could not afford to and it ended up taking him 10 years to graduate because of this. I decided I wanted to honor him by helping a student who is passionate about getting an education, just like he was.”

Elaine wanted to make an annual donation over a span of 10 years in order to fund the scholarship. With an IRA Rollover, she is able to make those donations without having to increase her taxes, which is especially beneficial in her state of California where the taxes are high. “The IRA Rollover is a great way to give to Fort Hays State University without having to increase our taxes, which is just a small benefit in comparison to knowing that we are helping a student get a great education. I know my dad would want it that way.”

YOU CAN GIVE MORE!

Perhaps you have already made cash gifts to charity this year up to the Federal limit. Your charitable deductions for cash gifts are limited to 50% of your adjusted gross income for a given year. Maybe you are a generous donor and desire to give even more this year. With an IRA rollover gift, you can transfer excess funds from your IRA to charity and still make your regular cash gifts up to the Federal level. You can give more without paying more in tax.

SIMPLE, EASY GIFT

If you are like many individuals, your IRA has increased in value over the years and you have more income than you may need. The IRA rollover gift is a simple and easy way to provide for your favorite charity while not increasing your taxable income. Simply contact your custodian and request that an amount be transferred to charity. Charity receives a nice gift and you avoid any additional tax and satisfy your RMD for the year.
To maximize tax benefits, make your charitable gifts before the end of the year.

As the year comes to a close, do you see the end of one year or the beginning of another? Do you wish this year would continue or are you ready for a fresh start? However you answer these questions, there is still time to make this year and the year ahead brighter.

The end of the year gives us all a wonderful opportunity to make decisions. We can wrap up the year or start the new one in the right way.

In many instances, this is the best time to make gifts that can help your favorite causes. As the year closes, you probably have a clear picture of your finances and goals. If you are like most people, you are also looking for ways to save on this year’s taxes.

A year-end gift is an opportunity for you to make a difference this year while giving yourself a gift during next year’s tax season. A charitable gift provides you with a deduction to offset this year’s tax burden. In addition, it helps us continue the work we are committed to accomplishing now and in the future. In these pages, we will provide a variety of options for you to consider before the end of the year. Learn about potential tax and income benefits to help you and your family, while furthering our mission. Call, click or visit our website for more information.
Words and Wisdom for the Future

Most of us know the importance of having a will. With a will, you can provide for your family by expressing your wishes in a way that makes them easy to follow. However, there are other important reasons to make plans for the future. These include appointing a guardian to care for your minor children and designating a person to make important healthcare decisions for you, in the event you are unable to act on your own behalf.

As you create or amend your will with your attorney, be sure to ask about what to do with your “IRD” assets or “Income in Respect of a Decedent.” Essentially, IRD is a way for the IRS to tax your untaxed ordinary income after death. IRD assets include your IRA, 401(k) or pension plan. These assets are taxed in your estate and to your living beneficiaries when you pass away.

If your children receive your IRA or 401(k) at your death, they will be faced with a hefty tax burden and very likely, a depleted asset. For this reason, IRD assets usually make better gifts to charity. A good plan is to give your low-tax assets, such as your home or stock, to your children. These are assets that step-up in basis at your death. Your children may sell these assets and pay little or no tax. At the same time, you can transfer the IRD assets to a tax-exempt charity like ours.

With proper planning, you can give generously to charity while simultaneously helping your family receive more of their inheritance. Help your heirs avoid paying more taxes at your death. Call us or your attorney to learn more.

Give Yourself a Gift without any Guilt

During this gift-giving season, consider giving yourself a gift. There are several ways for you to make a gift to us while receiving valuable benefits, including income and tax savings. One idea is to transfer your cash or property in exchange for a charitable gift annuity. We will promise to pay you a fixed income for your lifetime at a rate based on your age. A portion of your income could be tax-free. Even better, you will receive an income tax deduction for making a gift to us. After making payments to you during your lifetime, any remaining funds will be used for our mission.

If you would like even more benefits and options, consider creating and funding a charitable remainder trust. When you establish a remainder trust, you can choose to receive fixed payments in the form of an annuity trust or payments that could increase over time with growth in the trust or unitrust. It’s possible to receive income for yourself, you and your spouse or create a stream of income for your children for up to 20 years. Charitable trusts are also an excellent way for you to avoid taxes on the sale of your appreciated property such as stock or real estate.

We can help you create a plan with all the benefits you desire and income you deserve. Call, click or email for more information on making a charitable gift that creates income for you now or for your future.
For More Information...

I have received your newsletter on the benefits of creating a gift annuity and:

☐ I would like to speak with someone who can provide additional information.

☐ I have included FHSU Foundation in my will, trust, life insurance, annuity or other estate planning.

Name ___________________________________
Street ___________________________________
City_____________________________________
State / Zip________________________________
Home Phone______________________________
Work Phone ______________________________
E-mail___________________________________

(Please complete, cut out and return to the FHSU Foundation at PO Box 1060, Hays, KS 67601. All inquiries are treated with confidentiality.)

Visit the FHSU Gift Giving Website for More Information
www.fhsugift.org

What’s Inside?
--Charitable Giving Through an IRA

--End of Year Gifts

--Words and Wisdom for the Future

--Give Yourself a Gift without any Guilt

Upcoming Events:
--Gift of Grain Seminar Dec. 17

GIFT ANNUITY RATES

Gift annuity rates will change on January 1, 2012. The new rates for senior annuitants will be 0.5% to 0.8% lower than the previous schedule.

Would you like to see how a gift annuity can provide you with fixed income for life? I would be pleased to send you an e-mail with a link to a gift annuity illustration personalized for you. For your own personal gift annuity illustration, email bjbotz@fhsu.edu and include your age (or two ages for a couple). I will prepare a personal gift annuity illustration and e-mail you the link. Then, just click on the link to view your custom gift annuity illustration and see for yourself the benefits of establishing a gift annuity.