



Planned Giving Options

BEQUESTS

A bequest is the transfer of funds or property from your estate to a beneficiary designated by you in your Will. Sacred Heart can be named as the beneficiary in your Will, this type of gift is not subject to federal, estate, or local inheritance taxes, and the value of the bequest is deductible in determining the taxable estate. Your Will does not have to be redrafted; you can add CDSSH through an amendment to your Will called a codicil.

GIFTS FROM IRA FUNDS

Congress recently renewed for two years (through December 31, 2012) the tax provision that allows individuals age 70 ½ and older to make a direct rollover of up to \$100,000 from Individual Retirement Accounts (IRAs) and Roth IRAs to a charity without having to count the distributions as taxable income. The rollover does count toward the individual's required minimum distribution (RMD).

RETIREMENT PLAN GIFT

A gift of part or all of an IRA or retirement plan account upon death can be counted as a current major gift in the Campaign if you will be 70 years of age before December 31, 2012.

GIFT OF LIFE INSURANCE

A gift of life insurance also provides a charitable deduction to the donor. You may donate a new policy or a paid-up policy you no longer need. In either case you must designate Sacred Heart as both the owner and beneficiary of the life insurance policy. Ongoing premium payments qualify as charitable deduction. Check with your insurance agent for more details.

LIFE INCOME GIFTS OR CHARITABLE REMAINDER TRUSTS

These gifts enable you to increase your income, receive a charitable contribution deduction and avoid capital gains taxes. If you currently own stock, which is paying you low dividends, maybe 2% or 3%, a "life income" gift may work for you. You could transfer the stock establishing a "Charitable Remainder Trust" that would provide you with a 3% or greater annual return. This income would be paid to you and/or a loved one for life, after which the assets would be distributed outright to CDSSH. Through such an arrangement, you would be increasing your income and making a meaningful, tax-deductible contribution to CDSSH at the same time.

CHARITABLE LEAD TRUSTS

Charitable lead trusts are the reverse of the life income gifts. The income from the trust is first paid to the charity. The assets are transferred to a trustee who makes payment to CDSSH for a specified number of years, after which time the assets are transferred to your heirs. By establishing a charitable lead trust you are able to pass assets on to your children and grandchildren either completely free or considerably free of all estate and gift taxes.

If you have questions about the above, please consult your financial advisor for your particular benefits and which is most advantageous for you. For more information, contact Kathy Gallagher at 610-527-3915, ext. 216 or kgallagher@cdssh.org.