

# Foundations for the Future



*A special gift, estate, and financial planning newsletter for friends of the Pine Rest Foundation*

## Compassion in Action

“Pine Rest Christian Mental Health Services is called to express the healing ministry of Jesus Christ by providing behavioral health services with professional excellence, Christian integrity, and **compassion.**”

Compassion for others is an important foundation of Pine Rest’s ministry. II Corinthians 1: 3-4 states, “Praise be to the God and the Father of our Lord Jesus Christ, the Father of compassion and the God of comfort, who comforts us in all our troubles, so that we can comfort those in any trouble.” Each month, the staff at Pine Rest responds with compassion to the more than 3,100 calls for help we receive from individuals and families in our community struggling with Alzheimer’s disease or depression. Caring for an aged parent or a developmentally disabled child adds many challenges and strains to families in our community. Thanks to your ongoing support, over 27,000 individuals experienced *comfort in their time of trouble* through prevention, education, and support programs at Pine Rest.

There are many ways you can support the *healing ministry of Jesus Christ* at Pine Rest. Many indi-

viduals give currently to the Patient Assistance Fund, but in this issue of *Foundations for the Future*, you will learn how your charitable gift annuity can be used to bring comfort and help to those in need for generations to come. What better way to leave a legacy of your Christian faith than to provide funds for Christian mental health care for those in need? Whether you choose to leave a simple bequest or a life income agreement such as a charitable gift annuity, your gifts transform lives in the name of Jesus Christ.

Pine Rest has been blessed by individuals like you since our beginning in 1910. Please prayerfully consider leaving an estate gift so the legacy of compassion being expressed to Pine Rest will continue for the next 93 years and beyond. With your gift, your testimony of faith and hope can *comfort others in their time of trouble* long after it has been given.

As always, we stand ready to assist in whatever way we can. If you have any questions about how to enter into a life income agreement with the Pine Rest Foundation or need assistance in establishing a plan to address your particular needs or circumstances, you can contact me at (616) 281-6375 or [Scott.Halquist@pinerest.org](mailto:Scott.Halquist@pinerest.org).

## Meeting Multiple Needs

Through careful planning of your gifts, you can enjoy supporting charitable interests as you also:

- Increase cash flow in retirement years.
- Supplement the needs of a parent, sibling, or another loved one.
- Make educational funds available to children, grandchildren, or others in tax-favored ways.
- Use retirement fund assets, which could be largely depleted by income and estate taxes, to make charitable gifts.

# This Gift Gives Back



## MAXIMIZE YOUR TAX SAVINGS

- Federal estate and gift taxes continue to be due on estates valued over applicable amounts.
- Unlimited amounts may be left to a spouse free of taxes.
- Full tax rates apply at death of the surviving spouse.
- There is no limit to the amount deductible from federal estate tax for charitable gifts.
- Gift annuities provide generous payments for life from assets that are typically removed from your taxable estate.
- Capital gains tax can be avoided at the time your gift annuity is funded.
- Gift annuity payments can be taxed more favorably than many other sources of income.

What if there were a way to arrange for a dependable supplemental income that would continue for as long as you live? What if this same plan freed you from worries about outliving your resources, fluctuating interest rates, and the performance of your investments?

And what if there were a way to do this while making meaningful charitable gifts?

Believe it or not, there is such a plan. For many years, charitable gift annuities have offered a way to supplement your income, reduce gift, estate, and income taxes, and make significant gifts.

### *How do gift annuities work?*

Under the terms of a gift annuity, you make a gift of cash or other property through a simple agreement which provides you with regular payments that never decrease in size or frequency, regardless of changes in the economy. See the chart at right for examples of rates you can receive. Payments to you are backed by the charitable recipient's available resources.

Gift annuities offer other benefits, too:

- A federal income tax deduction is available for a portion of your gift.
- Part of each payment is free from federal income tax for a designated period of time.
- You may enjoy capital gains tax savings.

## Gift Annuity Payment Rates

### *Selected Rates for One Person*

Age	Rate	Age	Rate
65	6.0%	80	8.0%
70	6.5	85	9.5
75	7.1	90+	11.3

### *Selected Rates for Two Persons of the Same Age*

Ages	Rate	Ages	Rate
65/65	5.6%	80/80	6.9%
70/70	5.9	85/85	7.9
75/75	6.3	90/90	9.3

*Please write for current benefits and rates for other ages.*

For illustrative purposes only.

- Estate taxes generally will not be due on amounts used to fund your annuity.
- Payments can also benefit loved ones and friends if you wish.

### *Complement existing plans*

The benefits from charitable gift annuities have proved to be excellent additions to the long-range financial plans of people from all walks of life. Call us for more information without obligation.

# Take Care of Loved Ones

In addition to providing additional funds for you, gift annuities can be arranged so that you and one other person you choose receive the payments together. You may also direct that lifetime payments be made to one or two persons other than yourself.

Gift annuities result in welcome gift, estate, and income tax savings while accomplishing the following goals:

- **Payments for one's life and for the lifetime of a surviving spouse.** Payment rates for two persons' lives vary with the ages of the individuals. Two life rates are available upon request.
- **An income supplement for a parent or other loved one or friend.** If you are furnishing regular support to a parent from after-tax dollars, consider how a gift annuity may be used to provide a reliable income for life in a way that features sizable tax savings.
- **Income for a brother or sister.** A gift annuity can also be a wonderful way to give financial assistance to a brother, sister, or perhaps his or her surviving spouse in a tax-efficient manner.

More information about gift annuities for loved ones is available upon request.

## Putting 'Stock' in Your Future

You may be interested in special tax savings and other benefits available to you when you fund a gift annuity using low-yielding stocks, bonds, mutual funds, or other investments.

For example, Mrs. Hartzen has stock worth \$20,000 that currently yields only 1%, or \$200 per year, in dividends. She invested just \$5,000 in the stock a number of years ago. If the stock were sold today, she could owe capital gains tax on the \$15,000 increase in value.

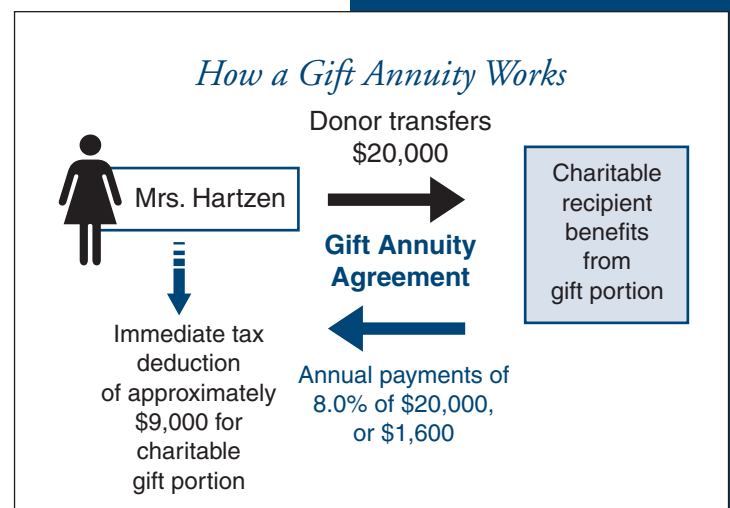
Instead, she uses the stock to fund a gift annuity for her benefit. At her age, she will receive quarterly payments totaling \$1,600, or 8.0% of the amount of her gift. Mrs. Hartzen is entitled to an income tax charitable deduction of almost \$9,000 in the year of her gift. She also avoids capital gains tax at the time the annuity is created, and is pleased to learn that a large portion of her payments will be taxed at lower capital gain rates as they are received over the next 10 years. In addition, the stock is removed from her taxable estate, possibly saving her heirs a significant sum in estate taxes.

Gift annuities may be funded with cash, stocks and bonds, and other readily marketable assets. Contact us for more information regarding increased income and other benefits you could enjoy through a charitable gift annuity.

## Build Retirement Income With Annual Annuities

Note from the chart on page 2 that gift annuity rates increase with age. The amount of your tax deductions generally increases with age as well.

For these reasons, you may wish to create additional gift annuities each year. Over time your income will build along with the amounts you have earmarked for use in support of your charitable interests.



# Making Sense of Gift Planning Options

*Memorial gifts are often received through an estate. Funds made available through your gift annuity can serve as a lasting and loving tribute to one or more individuals, while enriching the lives of others.*

In recent years, there has been a tremendous increase in the number of options available to structure charitable gifts. Whether known as *planned gifts*, *deferred gifts*, or *endowment gifts*, you may be hearing more and more about these plans.

We will be pleased to help you and your advisors understand the available options and thereby make the most of the plans that best meet your needs.

Benefits of various gift planning tools can include:

- Ways that enable you to make current gifts more effectively.
- Plans like the gift annuity described in these pages that help you make gifts while enjoying fixed, dependable income for life.

- Gifts featuring income that can vary with the performance of the assets used to fund them.
- Ways to make significant gifts while transferring assets to loved ones with greatly reduced estate and gift taxes.
- Plans that provide gifts from estate planning tools (such as your will, retirement plans, and life insurance policies) that you may already have in place for other purposes.

As you can see, there are ways to make charitable gifts that also assist in fulfilling a number of other financial goals.

We are available to provide additional information in confidence and without obligation about ways you and your loved ones can benefit from more thoughtful financial and gift planning.

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If you are interested in receiving more information on estate planning, simply complete and mail the enclosed form in the return envelope provided.



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*The Pine Rest Foundation exists to provide Pine Rest Christian Mental Health Services with financial resources and community support so its ministry of love and healing in Christ's name can flourish and be enhanced.*