



*Planned Giving to*  
*The Peacham Congregational Church*

*“All that we are, and all that we have, comes from God”*

There are many ways we all support our beloved Church: though our commitment of time, our special talents and our annual giving. However, one way we can ensure that the Peacham Congregational Church and the Peacham Olde Meetinghouse continue to thrive, as they have done since 1797, is by making a planned gift to the Church.

You can direct a planned gift to the Church for support of Church activities, or for operation and preservation of the Olde Meetinghouse in Peacham, or for specific missions supported by the Church. A planned gift to the Church is your legacy to help us continue your commitment of faith and love for this special place, for the Peacham community, and for all of God’s world.

### **What Is Planned Giving?**

Planned giving encompasses a variety of ways that gifts can be made to the Peacham Congregational Church from resources you have accumulated over your lifetime. It usually involves some financial or estate planning and needs to be discussed with your family and any advisors, such as lawyers, CPA’s, or financial planners. However, it is not reserved for only the wealthy. Planned giving is a means by which anyone can wisely leverage their resources to make an informed choice as to how to handle your estate. In general, planned gifts may be made through:

- **A Bequest** in a Will or Trust
- **A Life Income Gift** such as a Charitable Remainder Trust
- **Gifts of Special Assets** (real estate, closely held stock, life insurance, retirement accounts).

Planned giving often establishes a way for a donor to provide for family members while remembering the Church as well. It enables the donor to provide more for his or her heirs and to make a larger gift than thought possible. It often reduces taxes as well. Planned gifts can be designated for the Church’s operating funds or one of its two endowments. Planned gifts are either outright gifts (i.e., gifts of appreciated securities, real property, personal property, etc.) or deferred gifts (i.e. bequests, charitable gift annuities, charitable trusts.

## A Bequest in a Will or Trust

Perhaps the easiest and most common way of making a planned gift is through your will. Yet over 50% of Americans do not have one. If you die without a will, the State may divide your assets among your spouse and children (regardless of their age); appoint an administrator that may cost your estate large fees; and appoint guardians, who may or may not have been your choice, for your dependents. The State will make no charitable contributions, and it will ensure that your estate pays as much tax as possible. By making a will, you appoint your own administrator; you name the guardian of your dependents; you control applicable taxes; you can create a family or charitable trust; and you can share your resources with your family, the Church, or other nonprofit organizations as you choose. A bequest can take the form of a set amount of money, a percentage of an estate, or a specific asset.

You can also declare how the gift can be used. Sample language for including the Church in your estate plans might be:

**“I give, devise, and bequeath (state amount, specific asset or assets, or a percentage of the estate) to The Peacham Congregational Church to be restricted and used for (describe use) or unrestricted, and used as the Peacham Church Council deems appropriate.”**

## Life Income Gift

Life income gifts provide you or your designated beneficiary income for life in exchange for your gift. A **Charitable Remainder Trust** is used generally for donors with more than \$250,000 or more in assets. They can be funded with various types of assets, including real estate. Once the gift is placed in the trust, it provides income for life, a tax deduction, possible relief from capital gains tax (if fund through appreciated property) and a possible reduction in estate taxes depending on your wealth. The income can be fixed, or it can be a percentage of the assets in the trust.

The **Charitable Lead Trust**, another estate planning tool, enables you to transfer assets to a trust that pays its income to the Peacham Congregational Church for a set period of time. At the end of the term, the principal and all capital appreciation return to you, your heirs or others that you name.

## Gifts of Real Estate, Appreciated Property, and Tangible Personal Property

Real estate or securities can be the source of your gift to the Church. Using a Charitable Life Estate Contract, for example, you can deed your home, vacation home, farm, ranch, or condominium to the Church and retain the right to live on the property and/or receive income from the property for as long as you live. You receive an income tax deduction when the property is deeded to the Church and normally avoid any capital gains taxes

when making the transfer. Your inheritance and estate taxes may be reduced at the time of your death.

Gifts of appreciated real estate or securities allow you to avoid capital gains taxes. It is important to transfer the stock or real estate to the Church prior to selling it. However, if the securities or real estate have decreased in value, you should sell the assets before making the gift, thus establishing a capital loss and a potential tax deduction.

Gifts of tangible personal property, such as jewelry, coins, works of art, automobiles, etc. may also be given to the Church. You are responsible for setting an appraised value on the gift. Any gift over \$5,000 must be independently appraised.

### **Gifts of Life Insurance and Retirement Accounts**

**Life Insurance** is another way to make a sizeable gift to the Church. For example: You can purchase a new policy and make the Church the owner and beneficiary of the policy. This enables you to “leverage” your gift, ultimately making a much larger gift than otherwise possible. Contributions to your Church to pay the ongoing premiums become tax deductible. You can make the Church the owner and beneficiary of an existing policy. The current value of the policy is tax deductible, as are future premium payments. You can make the Church a contingent beneficiary of an existing policy, or name the Church to receive the proceeds of the policy if the designated beneficiaries predecease the insured.

Also, the remainder value of many **retirement accounts** can be heavily taxed when left to friends and family, but can pass tax-free to your Church upon your death. Review with your attorney or financial advisor to learn if this is an appropriate gift for you. If you have a traditional Individual Retirement Account, moreover, and are over 70.5, you may have an opportunity to make a qualified charitable distribution to the Church (up to \$100,000 annually for an account) without having the withdrawal be taxed as ordinary income (but, if you must make a Required Minimum Distribution, having the withdrawal count towards meeting the distribution requirement).