

# Ways to Give

It's More Than Just Your Wills & Trusts



*Crossroads*  
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The Legacy Ministry of Crossroads United Methodist Church (Legacy Ministry) would like **you** to join an honorary group of our members who have declared a gift to Crossroads United Methodist Church. There are many ways to join.

A Legacy Ministry team member can help you determine which type of gift is the best for your charitable giving goals and financial objectives.

## **Memorial Gifts**

There are several ways to memorialize those dear to you. Gifts may be made to Crossroads United Methodist Church in memory of deceased persons, to honor living persons, or to commemorate anniversaries or other special events.

## **Gifts in Lieu of Flowers**

It may be appropriate to remember a loved one by requesting that “in lieu of flowers, the family suggests that contributions be made to the Legacy Ministry of Crossroads United Methodist Church.”

## **Charitable Bequests: Last Will and Testament or Living / Revocable Trust**

Including a charitable bequest as a part of your will is a great way for you to provide long-term support for the Legacy Ministry of Crossroads United Methodist Church while also effectively managing your estate.

Making a charitable bequest is easy. If you want to leave a bequest to the Legacy Ministry, you must specifically do so in a will or trust. Your will or personal trusts are legal records of your wishes regarding how your assets should be handled at your death. Instructions regarding the dispensation of your assets are called bequests.

Charitable Bequests are not subject to estate or inheritance taxes, therefore reducing the tax burden of an estate. Charitable bequests also provide flexibility because they may be changed at any time. Your estate will be entitled to a charitable deduction for the full, fair market value of your gift. The Legacy Ministry can assist you and your attorney with standard legal language necessary to establish your charitable bequest.



## **General Bequests**

With this type of bequest, you simply leave a specified dollar amount (e.g., \$25,000) to Crossroads United Methodist Church.

## **Specific Bequest**

A bequest of this type involves the designation of specific property (e.g., a home, a farm, or shares of stock) that you want Crossroads United Methodist Church to receive.

## **Residuary Bequest**

Through a residuary bequest, Crossroads United Methodist Church will receive the remainder of your estate after all liabilities and other bequests have been paid. It may augment a general or specific bequest to Crossroads United Methodist Church if the size of the estate allows, or may ensure that other beneficiaries receive their bequests prior to distribution to Crossroads United Methodist Church.

## **Percentage Bequest**

You may direct that Crossroads United Methodist Church receive a percentage of your estate or residuary estate. In this case, if the size of your estate changes, the bequest will change proportionately.

## **Contingent Bequest**

It is important to anticipate a situation in which a beneficiary might die before you or choose to disclaim the property. To prepare for such an occurrence, consider naming Crossroads United Methodist Church as the contingent beneficiary.

## **Charitable Remainder Trust**

A charitable remainder trust is an efficient estate planning vehicle. It is a special type of trust that provides for and maintains two sets of beneficiaries. The first set are the income beneficiaries (you and, if married, a spouse). Income beneficiaries receive a set percentage of income for your lifetime or for a fixed term not to exceed 20 years from the trust. The second beneficiary would be Crossroads United Methodist Church. Crossroads United Methodist Church would receive the principal of the trust after the income beneficiaries pass away.

There are two basic types of charitable remainder trusts; one is an annuity, one is a unitrust.

Establishing either trust is simple:

Cash or property is transferred to the trust.

The income beneficiaries receive annually an amount equal to a fixed percentage of the trust's fair market value (unitrust) or a fixed dollar amount (annuity trust).

Upon termination of the trust, the assets are transferred to Crossroads United Methodist Church.

The eventual distribution to Crossroads United Methodist Church will take effect only at the death of the trust's income beneficiaries (or at the end of the term of the trust if a fixed term is chosen for the trust).

## **Charitable Gift Annuity**

A charitable gift annuity is a way for you to receive a guaranteed income for life and an immediate income tax deduction, while at the same time leaving a legacy to Crossroads United Methodist Church.

When you transfer assets to a Charitable Gift Annuity, you receive a fixed stream of income for life. After paying the lifetime annuity to you - and your spouse, if you choose - the remaining principal is transferred to the Crossroads UMC Endowment Fund through the Legacy Ministry.

Payments to you are based on your age - the older you are, the higher the rate. If the annuity is for you and your spouse, the calculation is based on your joint ages. You can choose to receive payments quarterly, semi-annually or annually. If you do not need the income now, you can use a deferred plan, receive the income tax deduction now, but begin receiving payments when you reach a specific age. This is an excellent complement to your existing retirement plan.

The tax advantages of both a current and deferred annuity are two-fold. First, you receive an immediate income tax charitable deduction when you create your annuity. The amount of the deduction is based on your age and annuity payout rate. Second, a portion of the payments you receive may be treated either as a tax-free return of principal or long-term capital gains. These tax advantages increase the net income you receive.

## **Retirement Plan Assets**

A retirement plan is one of the best types of assets to transfer to Crossroads United



Methodist Church following death because of the income tax consequence. Most inherited assets are free from income tax. However, an heir will pay income tax on disbursements from a decedent's retirement plan such as a profit sharing plan, Section 401(k) plan or IRA. If you are going to make a charitable bequest, it is usually better to transfer assets subject to income tax to a tax-exempt charity - such as Crossroads United Methodist Church - and to transfer assets not subject to income tax to heirs.

For a taxable estate over \$3 million, the combination of estate and income taxes will frequently exceed 75 percent of the total amount - even more if the generation skipping transfer taxes are triggered. At a cost to your heirs of only 25 percent of the fair market value of these types of assets, you could apply 100 percent of the assets to Crossroads UMC's Legacy Ministry to accomplish your specific charitable objectives.

Of course, married couples can postpone the decision by transferring the assets to the surviving spouse and claiming the marital estate tax deduction. However, since that deduction is not available to unmarried individuals and the second-to-die of married couples, a charitable bequest of pension plan assets might be the best option.

## **Stock**

A gift of stock is one of the easiest methods to make a gift. If the stock has appreciated the donor not only avoids the capital gains tax on the appreciation but also receives a charitable deduction for the full fair market value of the stock at the time of contribution.

## **Life Insurance**

You may have purchased life insurance when you needed protection for your family, business or estate. In later years, you have found you no longer need that insurance. If you want to achieve immediate tax benefits, you should consider irrevocably assigning an insurance policy to Crossroads United Methodist Church.

Giving life insurance as a gift to charity allows even those with modest means to leave a substantial contribution to the cause most meaningful to them. A gift of life insurance is a deferred gift, which means the proceeds from a commitment made now will be realized in the future. Donors often struggle between their desires to achieve philanthropic goals and their need to preserve their estate for their families. A gift of life insurance can eliminate this conflict.

In addition to gifting an existing life insurance policy, a new life insurance policy can be purchased from your life insurance professional naming Crossroads United Methodist Church



as owner and beneficiary. The initial premium payment plus subsequent insurance premium payments made by the donors are deductible as charitable contributions. A gift of insurance will not reduce your current stream of income.

## **Naming Crossroads United Methodist Church as a Beneficiary**

Perhaps a charitable gift sounds attractive but you are not ready to give up ownership of your life insurance. By naming Crossroads United Methodist Church as beneficiary only, you retain ownership of the policy; have access to the cash value and the right to change the beneficiary. If you would prefer that a member of your family remain the primary beneficiary, you can make Crossroads United Methodist Church the contingent or successor beneficiary to receive the proceeds if your primary beneficiary dies before you.

Because you retain ownership of the policy, there is no charitable deduction for the value of the policy upon designation of Crossroads United Methodist Church as beneficiary or for subsequent premium payments. However, any proceeds payable to Crossroads United Methodist Church as your death will not be subject to federal estate tax.

## **Securing the Future or Current Needs**

Once you have committed to making a gift, you need to specify if it is for current needs of the church at the time of the gift, or future needs thru the Legacy Ministry Endowment Fund.

A gift for current use at the time of the gift should be designated:

**“Crossroads United Methodist Church”**

A gift for future needs should be designated:

**“Georgia United Methodist Foundation, or its successors, to benefit  
Crossroads United Methodist Church, Perry, Georgia”**

