

You Can Change Lives

Choose the Gift That Helps Us and Your Family the Most

Many people who support our mission say they derive great satisfaction from their generosity and would like to do more. Here are some ways to support us that you might not have considered. Please feel free to call us to discuss them in greater detail.



Favorite Ways to Make a Gift

1. Cash—Nothing could be easier than making a gift of cash. It is the most common gift and the one you probably think of first. There are several types of cash contributions you can make.

- annual or year-end gifts
- “in memory of” gifts
- “in honor of” gifts
- gifts “in lieu of flowers” when someone you know passes away

2. Securities—Stocks and publicly traded securities are easy to give and offer great tax advantages.

You can:

- transfer the stock to us electronically through your broker, or
- send the stock certificate and a signed stock power for each certificate to us through the mail.

The best stocks to use for charitable giving are those that have increased greatly in value—particularly those producing a low yield and that you have owned longer than one year. Even if you wish to keep a stock in your portfolio, you have an option: Give the stock to us and use cash to buy the same stock through your broker. You’ll receive the same income tax deduction but will have a new, higher cost basis in the stock.

3. Bequests—Have you made provisions in your will to benefit us? Charitable bequests reduce the size of your taxable estate while helping a good cause.

Three popular options are to:

- leave us a percentage of your estate, after making provisions for family and friends;
- leave us a specified sum of money; or
- leave us a particular piece of property.

4. Life insurance—Do you have life insurance policies that are no longer needed? For example, maybe you purchased policies for your young children who are now grown. To put them to use, you could either donate the policies to us or simply name us as beneficiary.

Gifts That Give Back to You

There are several ways you can make a significant future gift to us while retaining, or in many cases increasing, the income you received in the past from the asset you used to make the gift.

5. Charitable gift annuity—This is a simple contract between you and us that pays you a fixed dollar amount for your lifetime and that of another individual, if desired, based on your ages at the time of your gift. The older you are at the start, the higher the payment. Plus, you are eligible for an immediate tax deduction.

6. Deferred charitable gift annuity—This type offers current tax benefits but delays the payments until you reach an age you previously selected. In exchange for deferring your payments, you receive a higher interest rate and a larger income tax deduction, depending on your age and the length of the deferral period.

7. Flexible deferred charitable gift annuity

With this plan, you do not have to decide in advance a date at which to begin receiving payments. Instead, you can choose to begin receiving your payments in as soon as 10 years, but no later than 20 years. Your deduction is determined by the payout’s earliest possible starting date, which would be in 10 years.

8. Charitable remainder annuity trust (CRAT)

A CRAT will pay you (and one or more other named beneficiaries, if desired) a specified annuity income either for your life or a period of time not to exceed 20 years. The amount of the annuity is a fixed amount chosen by you at the time you create the trust and is paid at least annually. Plus, you are eligible for an immediate tax deduction.

9. Charitable remainder unitrust (CRUT)

The CRUT has many of the same attributes as a CRAT, but with more flexibility and planning

opportunities. The primary difference is that your payout is variable from year to year. The CRUT pays a fixed percentage of the market value of the trust assets as determined annually. While the percentage cannot be changed, the amount paid out will vary from year to year with the rise and fall of the value of the trust assets and may increase (or decrease) over time.

10. Charitable lead trust—This charitable trust you create pays income to one or more charities, typically for a period of years, and then the remaining assets in the trust pass to noncharitable beneficiaries, such as family members. Based on the circumstances, the type of property used and the intended beneficiaries, lead trusts can have significant estate and gift tax benefits.

Remember These Other Tax-Smart Gift Ideas!

11. Tangible personal property—This includes items such as jewelry, fine arts and antiques. The income tax deduction for a gift you make today depends on whether we can use the property in a way that is related to our tax-exempt purpose. Another option is to leave these items to us in your will or trust.

12. Bank accounts and CDs—Are you aware that you can name us as the “payable-on-death beneficiary” of your bank accounts (savings or checking) or on any certificates of deposit? Upon your death, the assets will pass directly to us without going through probate. Simply visit your bank and request to name a beneficiary on your accounts or CDs. You can change beneficiary designations anytime you wish.

13. Savings bonds—When you redeem savings bonds, you typically pay tax on the deferred interest. If you never redeem them, either your estate or the person who inherits them will have to pay the tax. So the best way to bypass the tax burden and make a charitable bequest is for you to add a codicil to your will or living trust that leaves your bonds to us, a charity exempt from paying income tax. This gives us 100 percent of the value of the bonds.

14. Retirement plan or IRA assets—Because tax laws often subject retirement plan or IRA assets to the highest combined income and estate taxes, leaving these assets to charity may be the most efficient estate planning option. We can receive 100 cents of every dollar left to us from a retirement plan or IRA. Leaving these same assets to your heirs, however, can expose the assets to taxes—consuming as much as 65 percent at the federal level alone.

15. Real estate—A gift of real estate offers you the opportunity to make a significant gift with a tax-friendly outcome. You can donate real estate in several ways:


- **Outright gift.** A gift you make today may be the simplest solution if you’ve owned property longer than one year that:
 - is fully paid off;
 - has appreciated in value; and
 - you no longer need or use, such as a second home or vacation property.

Your benefits include:

- The ability to deduct the fair market value of your gift.
- Avoidance of all capital gains taxes.
- No longer needing to worry about the carrying costs of continued ownership.
- Removal of the asset from your taxable estate.
- **Retained life estate.** Did you know you can transfer the deed of your personal residence or farm to us now and keep the right to use the property for your lifetime and that of your spouse? You will receive a current charitable deduction based on both of your life expectancies and the value of the property.
- **Bargain sale.** In this scenario you agree to sell the property to us at less than its fair market value. The difference between the sale price and the fair market value is the amount that determines your charitable deduction.
- **Vacation time-shares.** Some charities may accept time-share units as outright gifts, but most lack the resources to sell the units and convert the gift to cash. In that case, you still have several options. If there is a ready market for your time-share, you can sell it yourself and donate the proceeds to us. If your time-share sells at a loss, you can deduct the loss as allowed by law and take a charitable deduction for giving us the cash proceeds.

Ready to Get Started?

We’d be happy to help you start planning the gift that best fits your lifestyle and philanthropic goals. Please give us a call when you’re ready.

 printed on recycled paper

The information in this publication is not intended as legal advice. For legal advice, please consult an attorney. Figures cited in examples are for hypothetical purposes only and are subject to change. References to estate and income tax include federal taxes only. Individual state taxes and/or state law may impact your results.

15 Ways

To Make a Difference



St. Bernardine Medical Center Foundation
2101 N. Waterman Ave.
San Bernardino, CA 92404
(909) 881-4516
Fax: (909) 881-4531
Pat Davis, President
Michelle Rainer, Director of Development
sbmcf@chw.edu

www.supportstbernardine.org