

Charitable Gift Annuity

A charitable gift annuity is a way for you to receive a guaranteed income for life, an immediate income tax deduction, and at the same time leave a legacy to the Endowment Fund.

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/or your spouse, the remaining principal is transferred to the Endowment Fund.

The payments you will receive 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 may want to use a deferred plan. This would allow you to receive the income tax deduction now, but you would begin receiving payments when you reach a specific age. This can be an excellent complement to your existing retirement plan.

Retirement Plan Assets

A retirement plan is often an excellent type of asset to consider transferring to a charitable entity. Although most inherited assets are usually free from income tax, an heir will generally pay income tax on disbursements from a decedent's retirement plan (i.e., a profit sharing plan, Section 401(k) plan, or IRA). If you are going to

make a charitable bequest, it is generally better to transfer assets subject to income tax to a tax-exempt charity, such as the Endowment Fund, and to transfer assets not subject to income tax to your heirs.

Stock

Shares of stock are an excellent type of gift to make to the Endowment Fund. A gift of stock can be extremely beneficial to the beneficiary. Also, although the tax laws are always changing, a gift of stock may also provide you with a tax benefit.

Life Insurance

You may want to consider designating the Endowment Fund as a beneficiary of a life insurance policy. Since you will maintain ownership of the policy, you will have the flexibility to change this designation at any time if your personal charitable giving goals should change. There are many options for naming the Endowment Fund as a beneficiary. You may want to designate the Endowment Fund as your primary beneficiary. However, you may also want to consider naming the Endowment Fund as a contingent or successor beneficiary should your primary beneficiary predecease you.

Real Estate

Occasionally people have a large percentage of their assets in real estate. Real estate can be a tremendous source of charitable giving. Gifts of real estate can sometimes relieve the person making the gift of the burden of selling what

can be complex real estate holdings. They can also help the person avoid selling real estate at a time which may be less than ideal. Gifts of real estate may also provide a tax advantage, depending on the tax laws at the time. Undoubtedly, a gift of real estate would be extremely beneficial to the Endowment Fund.

Difference between Endowment Fund and Gifts and Memorials Fund

Special gifts and memorials that are administered by the Gifts and Memorials Committee are generally given for specific purposes or to commemorate a special event. Usually, the donors expect them to be spent in their entirety within a short period of time. Conversely, the principal amount in the Endowment Fund will be maintained forever as a Lasting Legacy. Only the investment income is spent so that the fund may grow to provide support for future generations of Trinity members.

How to Designate the Beneficiary of Your Gift

When making donations to the Endowment Fund, the beneficiary should be clearly designated as: "The Trinity Presbyterian Church Endowment Fund."

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Partner with
God to
Leave a
Legacy:

Trinity
Presbyterian
Church
Endowment
Fund

Trinity Endowment Fund

The Trinity Presbyterian Church Endowment Fund (hereinafter “Endowment Fund”) was established several years ago to help members and friends of Trinity Presbyterian Church ensure the advancement of the Kingdom of God by the devotion of their material resources through unrestricted or restricted gifts, devises, and bequests. Unrestricted donations are those given with no preferences expressed. Restricted donations are those given that stipulate the use of the income by the donor. The Endowment Fund is administered by the Endowment Fund Committee (hereinafter “committee”) which is comprised of five members elected by the Congregation.

Non-cash gifts will be converted to cash as soon as practicable so that their value may also be applied to the generation of income. For income received related to unspecified donor agreements, the committee shall make annual distributions in equal 1/3 (one-third) amounts for (1) facilities maintenance, expansion or improvement (including furnishings); (2) supplemental mission funding; and (3) new programs. At no time, will any portion of the corpus or principal be distributed.

If you have any questions after reviewing this brochure, please feel free to contact any of the members of the committee. If you have an estate planning attorney, you may want to contact your attorney to discuss whether any of these types of gifts will help you achieve your charitable giving goals and financial objectives.

Memorial Gifts

There are numerous ways to memorialize or honor people who are important to you, or special events in your life or in the life of Trinity. The reason for making such a gift will be unique and personal. Gifts may be made to the Endowment Fund in memory of deceased persons, to honor living persons, or to commemorate anniversaries or other special events. One way to remember a loved one would be to request that “in lieu of flowers, the family suggests that contributions be made to the Endowment Fund.”

Charitable Bequests-Last Will and Testament Or Living/Revocable Trusts

Including a charitable bequest as a part of your will is a great way for you to provide long-term support for the church while also effectively managing your estate.

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

Charitable bequests provide estate planning flexibility because they may be changed at any time. There are several types of charitable bequests.

General Bequest—A general bequest allows you to leave a specified dollar amount (i.e., \$25,000) to the Endowment Fund.

Specific Bequest—A specific bequest involves the designation of specific property (i.e., a home, a farm, or shares of stock) that you want the Endowment Fund to receive.

Residuary Bequest—A residuary bequest allows you to direct that the Endowment Fund receive the remainder of your estate, after all liabilities and other bequests have been paid. A residuary bequest can stand alone, or it can be made in addition to a general or specific bequest to the Endowment Fund. One nice feature of a residuary bequest is that it allows you to ensure that all other beneficiaries receive their bequests before any amount is distributed to the residual beneficiary (i.e., the Endowment Fund).

Percentage Bequest—A percentage Bequest allows you to direct that the Endowment Fund is to receive a specific percentage of your estate or residuary estate. If the size of your estate changes, the amount of the bequest will change proportionately.

Contingent Bequest—It is important that you anticipate the situation where a beneficiary might predecease you, or possibly choose to disclaim the property. In order to prepare for such an occurrence, you may want to name a contingent beneficiary. If so, you may want to consider naming the Endowment Fund as a 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 is 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 is a charitable organization. The charitable organization, such as the Endowment Fund, would receive the principal of the trust after the death of the income beneficiaries.

These are two basic types of charitable remainder trusts; one is an annuity trust and the other 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 the Endowment Fund.

The eventual distribution to the Endowment Fund will take effect only upon 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).