



12 Smart Ways to Support Your Favorite Cause

How to Minimize Your Taxes and Maximize Your Gift

Consider these options for your charitable giving.

1. Cash. This is a simple and common way to make a gift. Donations of cash are deductible if you itemize in the year of contribution.

2. Bequests. Leave us a percentage of your estate. Or, make a bequest of money or a particular piece of property to our organization.

3. Securities. Give stocks that have increased greatly in value, particularly those producing a low yield. If you have owned them longer than one year, you will pay no capital gains tax on the transaction, and you can deduct the full fair market value.

4. Bank accounts and CDs. Name us as the "payable-on-death beneficiary" of your bank accounts or on certificates of deposit. You own the assets for your lifetime and have them available for your use. Upon your death, the assets pass directly to us without going through probate.

5. Retirement plan assets. Your most efficient estate planning option may be leaving all or a portion of your retirement plan to charity, because tax laws often subject these assets to the highest combined income and estate taxes upon death. Many techniques can be used to avoid combined tax rates of nearly 65 percent. At the same time, you can pass more tax-favored assets to your family.

6. Charitable gift annuity. This is a simple contract between you and us that pays you a fixed dollar amount for your lifetime. The older you are, the higher your annuity rate. If you use appreciated property to fund the gift annuity, you will escape the capital gains tax on the gift portion of the transaction. Plus, you are able to spread the remaining capital gains tax over your lifetime. You also receive a partial income tax deduction.

7. Charitable remainder trust. A charitable remainder trust pays a fixed or variable income to the donor. The payments are made either for life or a period of time not to exceed 20 years. At the end of the trust's term, the balance in the trust supports our mission. You'll also receive a partial income tax deduction.

8. Charitable lead trust. This type of charitable trust pays income to one or more charitable organizations, typically for a period of years, after which the remaining trust assets pass to family members.

fair market value

the price a willing buyer and a willing seller can agree on



beneficiary

an individual or organization designated to receive benefits or funds under a will or other contract, such as an insurance policy, trust or retirement plan



probate

the court process for determining the validity of a deceased person's will and distributing his or her assets



9. Real estate. This is a simple donation if you own property that is not mortgaged, has appreciated in value, and you no longer need or use. You can deduct the fair market value of your gift and avoid all capital gains taxes. Plus, you have removed that asset from your taxable estate.

10. Retained life estate. You can transfer the deed of your personal residence or farm to us now and keep the right to live in and use the property for your lifetime. You will receive a current charitable deduction in an amount that is based on your life expectancy and the value of the property.

11. Bargain sale. In this scenario, you agree to sell property to a charity at less than its fair market value. The difference between the sale price and the fair market value is your charitable deduction. The net result is often more favorable than selling the property at fair market value and making a charitable contribution from the capital gain.

12. Life insurance. Rather than cancel policies you no longer need, you could name us as the beneficiary, or simply donate the policies outright.

For More Information

We are always available to provide you with further information and suggestions on gifts that fit with your lifestyle and philanthropic goals. Just give us a call.

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