

Planning for the Future

Now may also be a good time to review your long-term plans, with special attention to how they may include a “gift of a lifetime.”

Charitable gifts can be made from arrangements you may already have in place, or you may choose to use special tools that feature current tax savings, increased income, and other benefits.

Gifts from existing plans

You can provide for charitable interests in one or more of the following ways:

- Through your will or living trust. There is no limit to the amount that can be given in this way free of federal estate and gift taxes.
- As beneficiary of all or a portion of the remainder of retirement plan accounts. This can help avoid possible double taxation of those funds.
- To share in the proceeds of life insurance policies no longer needed for their original purpose.

Gifts from special plans

Charitable trusts and other plans can enable you to make gifts today while retaining income for yourself and/or your loved ones. You may also benefit from professional asset management as well as capital gains and other tax savings. More information is available upon request.

INCOME TAX FACTS

- **Individual tax rates of 10%, 15%, 25%, 28%, 33%, and 35% apply to most types of income.**
- **A special maximum 15% rate applies to dividends from qualified stocks and to most capital gains.**
- **Taxpayers that itemize their deductions may lower their income tax liability through charitable gifts.**
- **Gifts of cash may be deducted up to 50% of adjusted gross income.**
- **Gifts of appreciated property may be deducted up to 30% of adjusted gross income.**
- **Excess deductions for gifts may be carried over for use in up to five additional years.**



WycliffeFoundation

Wycliffe Foundation
P.O. Box 620486
Orlando, FL 32862-0486

Call or Fax:
Toll-free (877) 493-3600
Fax (407) 852-3768

or Visit:
www.wycliffefoundation.org

PARTNERS IN PLANNING

A PUBLICATION OF THE WYCLIFFE FOUNDATION • FALL 2004

“I’ll Go Where You Want Me to Go”

By Scott E. Toncray

At age 10, after listening to the old hymn, “I’ll Go Where You Want Me To Go,” she told the Lord she would go where He directed. And now, seventy-eight years later you could say...she went.

Grace Hagemann Hawkins, 88, whose hands have reared 3 children, worn two different wedding rings, painted over 100 landscapes, wrote a handful of Christian-based poems, and joined in prayer too many times to count—still goes where the Lord tells her, only now she goes there in prayer.

“I go to Pakistan every morning in my prayers for these missionaries,” she laughs while sorting through a large stack of paper. The stack consists of pictures of her children and grandchildren, missionaries she supports and appeal letters from different organizations. She does this every morning and it usually takes her 20 minutes to get through the stack. “I like to feel like I’m part of Bible translation by going with them in prayer,” Hawkins said.

She also supports these organizations through Charitable Gift Annuities. She has 85 of these annuities supporting over 26 organizations including the Wycliffe Foundation. She started this when she was in her early sixties. “And now, as old as I am, I get higher payments,” she says laughing, “It pays to live a long time.”

When asked why she gives, she recited from memory this poem she once wrote:

Why stand ye gazing up when He commands us GO?
How beautiful those faithful feet that o’er the mountain sow.
But let us be more faithful to go on wing and prayer.
And give of all He lendeth, their work for Him to share.

The combat troops are ready for Him to live or die.
But where are we who back them, with service and supply?
How can they hear unless we send the necessary preacher?
So let us go, in prayer and gift, to every tribe and creature.

—Grace H. Hawkins



“I go to Pakistan every morning in my prayers for these missionaries.”

Neither the author, the publisher, nor this organization is engaged in rendering legal or tax advisory service. For advice or assistance in specific cases, the services of an attorney or other professional advisor should be obtained. The purpose of this publication is to provide general gift planning information. Watch for tax revisions. State laws govern wills, trusts, and charitable gifts made in a contractual agreement. Advice from legal counsel should be sought when considering these types of gifts.

© Copyright Wycliffe Foundation

Editor’s note: You may be eligible to receive a tax deduction for 2004 if you complete a Charitable Gift Annuity by December 31. To learn more about Charitable Gift Annuities or other creative ways to support Bible translation, linguistics training and literacy efforts. Please call toll-free (877) 493-3600 or visit www.wycliffefoundation.org.

Planning for Maximum Benefits

No matter how you choose to make your gifts, it is important to take steps to assure gifts are completed in time to provide full benefits for you and your charitable interests.

Gifts of cash or checks

Make sure your gift is personally delivered or mailed in an envelope postmarked no later than December 31.

Gifts of securities

Securities can make an excellent gift. Please contact us at 877-493-3600 for instructions. There can be quite a few delays in completing the gift. We encourage you to start early in December if it is important to get the tax deduction this year.

Gifts from retirement accounts

For those age 59 and older, retirement accounts can be a convenient “pocket” from which to make charitable gifts. Recent and proposed legislation may make such gifts even more attractive for persons of various ages. Check with us or your tax advisor for more information.

Give Now...and Later

As of January 1, 2004, the amount one can leave at death to loved ones has been increased as part of a plan to eventually eliminate federal taxes due on one's estate at death.

Many believe, however, that the federal estate tax will never be entirely eliminated. Regardless of what Congress finally decides, reductions already in place will serve to greatly reduce the impact of estate taxes for many Americans.

If you believe your estate will pass to others tax free, or if you are not sure whether estate taxes will apply in your situation, consider arranging for a future charitable gift today.

This way, you can enjoy immediate income tax savings and other financial benefits while providing for a significant charitable gift as part of your long-range plans.

Known as “life income” gifts, these plans offer one or more of the following incentives:

- Generous fixed or variable income payments for life or another time period you determine
- Income tax savings based on full value of assets
- Diversification of investments while reducing or eliminating capital gains tax
- Professional asset management
- Reduction of probate expenses

We will be pleased to provide more information to you and your advisors about ways to make current and future plans that benefit you and make available exciting charitable planning opportunities.

Making the Most of Your Gifts

If you are planning to make additional charitable gifts between now and year's end, you may want to pay special attention to their timing and the property you choose to give.

What is best to give?

Gifts of cash and by check are the most popular means of making charitable gifts. Through gifts of cash, it is possible for those who itemize their deductions to eliminate tax on up to 50% of their adjusted gross income (AGI). Gifts in excess of this amount may be used to reduce taxes in up to five additional years.

Congress has recently acted to reduce income, dividend, and capital gains tax rates for many taxpayers. As a result, you may find that you have more cash available from which to make your gifts this fall.

Give “paper profits”

If you normally make gifts in the form of cash, you may want to consider the additional benefits of making gifts of other property.

Because of recent tax law changes, the dividends from securities are now taxed more favorably than interest and certain other income. If you have securities that pay little or no dividends, you may want to consider using those securities to complete gifts.

Giving in this manner can result in little impact on your spendable income, while you are allowed to base your tax deduction on the full value of the securities, including any “paper profits,” effectively bypassing all capital gains tax that would be due if the stock were sold. You can then use other resources and your tax savings to purchase different investments that may yield more in dividends or other tax-favored income.

Save taxes—diversify investments

Suppose you own securities that have grown in value since you have owned them, but they yield little income and you believe they have peaked in value. It might be wise to use such securities to fund all or a portion of your charitable gifts this year.

You can then use cash—which you may have otherwise contributed—to purchase investments that you believe may grow in value. In this way, you can bypass tax on the capital gain, diversify your investments, and enjoy a new, higher cost basis.

If your new investments increase in value, you will now have less gain to report on a future sale. If their value decreases, you may then benefit from deducting a loss for tax purposes.


Benefit from losses

If you own securities that are worth less than you paid for them and you doubt they will soon regain their value, consider selling them (thereby creating a loss you may be able to deduct) and giving the cash proceeds. This can actually result in tax deductions that total more than the current value of the investment.

Neither the author, the publisher, nor this organization is engaged in rendering legal or tax advisory service. For advice and assistance in specific cases, the services of an attorney or other professional advisor should be obtained. The purpose of this publication is to provide general gift, estate, and financial planning information. Watch for tax revisions. State laws govern wills, trusts, and charitable gifts made in a contractual agreement. Advice from legal counsel should be sought when considering these types of gifts. © 2004 RFSCO, Inc. All Rights Reserved. NYD2-04

CAUGHT IN THE AMT TRAP?

A growing number of taxpayers have been surprised to learn that they owe additional taxes due to the Alternative Minimum Tax. While many deductions and adjustments are ignored or added back for AMT purposes, charitable gifts remain deductible for both regular and alternative minimum tax.



You can enjoy immediate income tax savings and other financial benefits while providing for a significant charitable gift.