

## Enjoy Benefits Today

Many observers believe that the federal estate tax will never be completely eliminated. Next January's increase (to \$1.5 million) in the amount each person can leave to others free of federal estate tax will, however, greatly reduce the impact of this tax for many Americans.

If you would like to include gifts to charity as part of your future planning and believe your estate will now pass to others tax free-or you are not sure whether estate taxes will apply in your situation-consider arranging for a future gift today. In this way, you can enjoy income tax savings and other financial benefits immediately, while still providing for significant charitable gifts.

Known as "split interest" gifts, these special plans offer one or more of the following incentives:

- Attractive levels of fixed or variable income for life or another time period you determine
- Immediate income tax savings based on the full market value of assets
- Diversification of investments while reducing or eliminating capital gains tax
- Income that is taxed at lower rates than taxes on amounts received from other sources
- Professional asset management
- Reduction of probate expenses

We will be pleased to work with you and your advisors as you explore how to make current and future plans in ways that maximize charitable giving opportunities.



### INTRODUCING YOUR STARTING FIVE

Cue the band, play the fight song, here they are... this is your team! From left to right: Marty Sanders, Jane Davis, Jim Shimer, Doug Thomas, Dick Ammons.

Wycliffe Foundation is proud to introduce this team of individuals who will be ministering across the country, to people like you in the area of gift planning. They can help you set up cost effective gift arrangements and will keep you connected to the work of Bible translation.

If you would like to have a GPA visit with you, check the first box on the enclosed card.



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## Teamwork Lessons continued...

God is coaching our team also. Just as Milan High School won one game at a time to get to the championship game, we will assist translation through gift planning programs to begin projects in over 3,000 language groups that still need it. Together, working as a team and focusing on the fundamentals, we can all help fulfill the Great Commission.

—Scott Toncray, Editor  
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# P2 PARTNERS IN PLANNING

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## Teamwork— Lessons from a Small Indiana High School

*It must have been some game.*

Can you imagine it? They came from tiny Milan High School with an enrollment of only 161 students. They traveled from their small high school gym following a 19-2 season, to Butler University's Hinkle Fieldhouse where they faced the mighty Muncie Central powerhouse in the 1954 Indiana State High School Basketball Championship Game. Hinkle Fieldhouse was packed to the rafters and tickets were being scalped outside for up to \$50. It had to be intimidating for those players who practiced shooting in baskets nailed to barns—walking into that large arena, with its stand-alone goals, suspended scoreboard, and all those seats.

The movie *Hoosiers*, starring Gene Hackman, illustrated the true-life story of the coach who took out a tape measure and asked the players to measure the height of the goal. It was ten feet. Then he asked the players to measure the distance between the goal and the foul line. The coach then showed that the measurements were exactly the same as their little gym back home in Milan.

During the final quarter the Milan Indians were trailing 28-26. The coach ordered senior Bobby Plump to stall. He literally held the ball in the cigarette-smoke-filled arena for 4 minutes and 13 seconds, before taking a shot (and missing) with only a few minutes left on the clock. Milan came back and tied the game at 30 with 1 minute, 18 seconds to go. Bobby Plump again held the ball until the clock ticked down to 18 seconds when the Indians called a time out. After the timeout they gave the ball to Plump, who went to the top of the key and, at the last second, shot the ball and made what the *Indianapolis Star* called the best sports story in Indiana history.

Milan High School's famous victory was about teamwork, focusing on the fundamentals, and facing monumental challenges; and so is the work of Bible translation. The Wycliffe Foundation facilitates teamwork as we partner with organizations, ministers and missionaries, the church, and you and others who have a heart for seeing God's Word reach the hands of those without the Bible in their heart language.

Coach Marvin Wood, a devout Christian, led the Indians to rise above 751 teams entered in that year's tournament. He often said that, "God was coaching that team, not me."

*continued on back...*



## 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.

In May of this year, Congress 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 will have little impact on your spendable income, while you will actually be allowed to deduct 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 gains, 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.

## Timing Gifts for Greatest Savings

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*

If you own securities and have the certificates in your possession, send a signed stock power and the unendorsed stock certificate in separate envelopes. Your gift is considered to be complete on the date of the later postmark if the envelopes are not postmarked on the same day. For other securities or mutual funds, consult us and your financial services provider for specific instructions.

### *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.

## 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.

Don't forget to explore other ways to make gifts. Can you give through your business, advised gift fund, or other means?

### **DO NEW TAX LAWS AFFECT YOU?**

- **Maximum income tax rates were lowered in May 2003. The maximum tax rate can still be as high as 35%.**
- **The maximum tax on certain capital gains and on dividend income has been lowered to 15%.**
- **The new laws offer relief from the so-called marriage penalty.**
- **The federal estate tax exemption amount will increase on January 1, 2004 to \$1.5 million per person.**
- **The total amount an individual can give to others during lifetime free of federal gift tax is not scheduled to increase beyond the current \$1 million limit.**



### **TAX PLANNING POINTERS**

- **Amounts contributed to charity are not generally subject to federal income taxes.**
- **When you itemize deductions, you may deduct cash gifts of up to 50% of your adjusted gross income (AGI).**
- **Gifts of appreciated securities and certain other assets may be deducted at full value in amounts up to 30% of your AGI.**
- **If you are affected by these or other limits on itemized deductions, unused deductions can reduce taxes in up to five future tax years.**
- **Donated property owned for more than one year qualifies for maximum tax benefits.**

