

CREATIVE WAYS TO GIVE

CREATIVE & TAX-WISE WAYS TO MAKE YOUR BEST GIFT

**FORWARD
IN FAITH**
CALVARY LUTHERAN CHURCH 2020-2022

IRA - RETIREMENT PLAN

Are you 70½ years or older?

You can use your qualified retirement plan to give.

SCENARIO

Kurt and Betty Benson are in their early 70s and want to make a significant gift to Calvary Lutheran Church. They've accumulated \$800,000 in their qualified retirement plans, and must now take their required minimum distributions despite the fact that they don't currently need the entirety of their RMD to support their lifestyle.

OUTCOME

Kurt and Betty request a \$25,000 qualified charitable distribution (QCD) from their IRA and direct it to their congregation's campaign, avoiding the payment of income tax on this portion of their withdrawal. They also name Calvary Lutheran Church as the death beneficiary of the remaining retirement funds, leaving other assets with lesser tax consequences to heirs.

TAX DEDUCTIONS

Do you itemize your tax return?

Increase your gift impact without increasing your gift amount when you itemize your tax deductions.

SCENARIO

Karl and Kathy are in their 40s with two school-age children, and they want to make their best gift from their regular income to the Calvary Lutheran Church campaign. Before taking a closer look, they're imagining a one-time gift of \$7,500.

OUTCOME

Karl and Kathy consult with their accountant and confirm that a larger gift will make them eligible to itemize their deductions this year. They decide instead to give a \$10,000 gift, take the charitable income tax deduction, and at their income tax rate, the net cost of the gift to them will be only \$7,200.

STOCK

Do you have appreciated stock?

Make a larger gift than you might imagine with your appreciated stock.

SCENARIO

Bob and Mary Smith are in their late 50s with two young adult children who they've already put through college. They both want to make their best possible gift to the capital campaign.

OUTCOME

Bob and Mary decide to gift \$10,000 of appreciated stock to the Calvary Forward in Faith campaign. Since the stock was inherited at cost basis of \$4,000, the Smiths will avoid paying \$900 in taxes on the \$6,000 of capital gains. The Smiths also qualify for a charitable tax deduction and have an income tax savings of \$2,800. After both tax benefits, the net cost of the gift to the Smiths is only \$6,300. Bob and Mary also decide to make this gift 3 years in a row – a total \$30,000 commitment to the campaign with gifts that will actually cost them only \$18,900.

CD - CERTIFICATE OF DEPOSIT

Do you have accounts you are not utilizing?
Replace or even increase your income with certain gifts.

SCENARIO

Bob Johnson and his wife Dorothy are both 79 years old. They want to make a significant gift to Calvary Lutheran Church, but would like to avoid reducing their current income. They have a \$50,000 CD maturing, and though they've never needed the principal, they like the idea of receiving a guaranteed income. If renewed at the current 1% rate for another 24 months, they'll receive \$500. **However, if they gift the \$50,000:**

OUTCOME #1

\$25,000 could establish a charitable gift annuity that, at their respective ages, provides a guaranteed, fixed payment for both lives of 6% or \$1,500 per year - 3 times the CD return. They can take a charitable income tax deduction for their gift, and receive a portion of the annuity's income tax free. After the second death, Calvary Lutheran receives the charitable gift annuity's remainder value.

OUTCOME #2

\$25,000 could be given as their response to the congregation's campaign invitation, and they are eligible for a charitable deduction, effectively reducing the gift's costs.

GIVE SLOWLY: 3-YEAR PLEDGE

On a tight budget but still called to give?
Maximize your gift without feeling the financial strain by giving over a 3-year timeframe.

SCENARIO

Shelly is a single mom with a limited income. Her gratitude for Calvary runs deep. She would take great joy in giving at least \$1000 to the campaign, but she could never imagine coming up with that kind of money for a single gift.

OUTCOME

She discovers that a gift of only \$27 a month (~\$.90 a day) over 3 years would make that possible.

MORE INFORMATION

At no cost or obligation, you can receive more information, a personalized illustration, and a confidential consultation to help you plan your gift by contacting us.

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MORTGAGE & MAINTENANCE

GIFTS / PLEDGES NEEDED TO REACH OUR GOAL

NUMBER OF PLEDGES	3-YEAR TOTAL GIFT PLEDGE RANGE	CUMULATIVE TOTAL
2	\$100,000 - \$150,000	\$250,000
5	\$50,000 - \$99,999	\$250,000
10	\$25,000 - \$49,999	\$275,000
20	\$10,000 - \$24,999	\$275,000
30	\$5,000 - \$9,999	\$250,000
40	\$3,000 - \$4,999	\$150,000
50	\$1,000 - \$2,999	\$90,000
143	Up to \$1,000	\$60,000

