

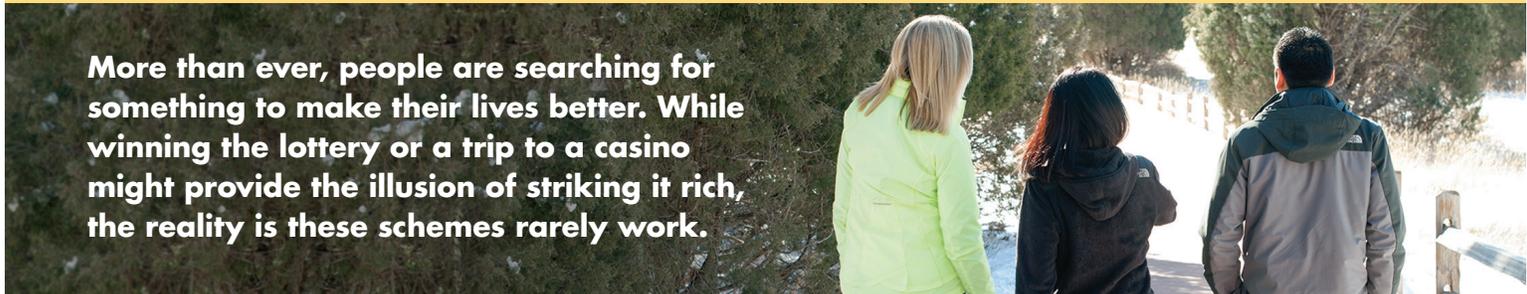


Sowing seeds of faith for future generations *Legacy*

A publication of the Georgia United Methodist Foundation

WINTER 2016: EASY WAYS TO SUPPORT YOUR CAUSES GIVING CAN HELP YOU IDEAS FOR GIVING

EASY WAYS TO SUPPORT THE CAUSES YOU CARE ABOUT



More than ever, people are searching for something to make their lives better. While winning the lottery or a trip to a casino might provide the illusion of striking it rich, the reality is these schemes rarely work.

You can find great joy and meaning in supporting the United Methodist causes you care about. What United Methodist causes are most important to you?

You may be surprised to learn just how easy it is to partner with the Georgia United Methodist Foundation in order to help fulfill the important work of your United Methodist church and/or favorite ministry. All of the ideas below are ways you can help support their cause while benefitting yourself and your loved ones.

YOUR IRA

Consider naming your United Methodist church and/or favorite ministry as a beneficiary of your IRA. All or a portion of your IRA can pass automatically to help further their mission. It's easy to call your IRA administrator and ask to change or add beneficiaries to your account. Many account providers now permit you to make beneficiary designations online.

LIFE INSURANCE

Support a United Methodist cause by designating your church and/or favorite ministry as a beneficiary of a new or unneeded life insurance policy. Making this charitable gift is as easy as contacting your policy provider to complete a beneficiary designation form.

CHECKING, SAVINGS AND INVESTMENT ACCOUNTS

One of the easiest ways to help a United Methodist cause is by naming your church and/or ministry as a "POD" (Payable on Death) beneficiary of one or more of your financial or investment accounts. By completing a simple document, you can gift any unused funds in your accounts to help your United Methodist church and/or favorite ministry in their work.

It's easy (and costs you nothing today) to support a United Methodist cause! If your church and/or ministry is a beneficiary in your plans, please let them know. They would like to thank you and also make sure that your gift is used for the causes that mean the most to you.



How Giving Back Can Help You

What if you could lower your electric bills by turning on the lights in your home? While some things may seem at first glance to be counterintuitive, a charitable gift can benefit you in surprising and unexpected ways.



A charitable gift annuity and charitable remainder trust are two ways you can make a gift to support a charitable cause like your United Methodist church and/or ministry and receive cash back every year for as long as you live.

What is a charitable gift annuity?

A charitable gift annuity (or CGA) is a simple arrangement where we promise to make payments to you in exchange for your gift of cash, CDs or an appreciated asset to your United Methodist church and/or favorite ministry. No matter what happens with the economy, your payments are secure and fixed at a rate that will never change. You will receive a tax-saving charitable deduction, and a

portion of your payments could be tax-free.

How does a charitable remainder trust work?

A charitable remainder trust (or CRT) is similar to a CGA but offers you more options. You can receive payments for your lifetime or up to 20 years. The payment amount may vary with the trust's performance or be fixed similar to a CGA. It's possible for you to be involved in selecting the trust investments to maximize trust returns.

Lifetime payments and tax benefits

In addition to lifetime payments, both plans provide the following tax benefits:

- An income tax deduction in the year you make your gift
- Potentially lower estate taxes (if your estate is taxable)
- Capital gains avoidance if you give appreciated assets

With the CGA or CRT, you can have the fulfillment that comes with supporting a United Methodist cause you care about while achieving your personal and financial goals. Please contact us to view a free illustration of one or both plans including your potential payments and tax savings.

Ideas for Giving and Saving for Your Family

Many people believe they have to decide between keeping their money, giving to family or supporting their favorite charitable causes. However, even while giving generously to charity, you can profit from your investments, save for your family and support causes that are important to you.



By incorporating a United Methodist church and/or ministry into your plans, you can create options with benefits that go beyond making direct cash gifts to your loved ones.

With the **charitable remainder trust**, or CRT, you can transfer almost any asset to create an income stream that will provide for your loved ones after you are gone. Most often these plans are written to pay income to family members for a term of up to 20 years. Contact us to view this plan for your family.

Call or email us to learn more about charitable trust and life insurance plans. With just a little planning, we can help you provide for your family and give to the United Methodist causes you care about.

Charitable Remainder Trust Benefits:

- Avoid capital gains tax with the gift of appreciated assets
- Receive an income tax deduction immediately for part of the funding amount
- After payments are made to your family, the remainder goes to help your United Methodist cause

A **charitable lead trust** (CLT) is similar to a CRT but provides income to a charitable organization for a number of years, then gives what remains

(plus growth during the trust term) to your family. The CLT gives you an unparalleled way of transferring wealth to your family while minimizing gift and estate taxes.

Life insurance is also a tool you can use to achieve unbelievable results for your loved ones. Life insurance alone is a relatively inexpensive way to provide your family with a tax-free inheritance. Life insurance coupled with a charitable remainder trust is another way to create lifetime income for yourself, fund an insurance plan for your family and make a significant gift to charity.

This information is not intended as tax, legal or financial advice. Gift results may vary. Consult your personal financial advisor for information specific to your situation.



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The Georgia United Methodist Foundation is a nonprofit organization that helps United Methodist churches, ministries and individuals within Georgia sow seeds of faith for future generations. GUMF offers planned giving, investments, loans, and endowment services, as well as grants and scholarships. We also offer free wills clinics and personal consultations. For more information, call 770-449-6726 or 877-220-5664, email info@gumf.org or visit gumf.org.

SAVVY LIVING By: Jim Miller

Dear Savvy Living,

Can you give me the details on required IRA and 401(k) distributions? I turned 70 this year and want to be clear on what I'm required to do and when I'll have to do it.

Here's what you should know about required retirement account distributions along with some tips to help you avoid extra taxes and penalties.

RMD RULES

Beginning at age 70½, the IRS requires all seniors that own tax-deferred retirement accounts—like traditional IRAs, SEP IRAs, SIMPLE IRAs, SARSEPs, 401(k)s, 403(b)s and 457s—to take annual required minimum distributions (RMDs) and pay taxes on those withdrawals. Distributions are taxed as income at your ordinary income tax rate.

There are two exceptions. Owners of Roth IRAs are not required to take a distribution, unless the Roth is inherited. And if you continue to work beyond age 70½, and you don't own 5% or more of the company you work for, you can delay withdrawals from your employer's retirement plan until after you retire. But if you have other

non-work-related accounts, such as a traditional IRA or a 401(k) from a previous employer, you are still required to take RMDs from them at age 70½, even if you're still working.

RMD DEADLINES

Generally, you must take your distribution every year by December 31. First timers can choose to delay taking their distribution until April 1 of the year following the year they turn 70½. But be careful about delaying, because if you delay your first distribution, it may push you into a higher tax bracket because you must take your next distribution by December 31 of the same year.

Be aware that you can always withdraw more than the required amount, but if you don't take out the minimum, you'll be hit with a 50% penalty on the amount that you failed to withdraw, along with the income tax you owe on it.

DISTRIBUTION AMOUNTS

Your RMD is calculated by dividing your tax-deferred retirement account

balance as of December 31 of the previous year by an IRS estimate of your life expectancy.

IRA withdrawals must be calculated for each IRA you own. 403(b) accounts also allow you to total the RMDs and take them from any account or combination of accounts.

With 401(k) plans, you must calculate the RMD for each plan and withdraw the appropriate amount from each account.

To calculate the size of your RMD, you can use the worksheets on the IRS website – see irs.gov/RetirementPlans and click on "Required Minimum Distributions." Or, contact your IRA custodian or retirement plan administrator who can do the calculations for you.

For more information, call the IRS at 800-829-3676 and ask them to mail you a free copy of the "Distributions from Individual Retirement Arrangements" (Publication 590-B), or see irs.gov/pub/irs-pdf/p590b.pdf.

Savvy Living is written by Jim Miller, a regular contributor to the NBC Today Show and author of "The Savvy Living" book. The articles are offered as a helpful and informative service to our friends and may not always reflect this organization's official position on some topics.