



Sowing seeds of faith for future generations

Legacy

A publication of the Georgia United Methodist Foundation

SPRING 2017: THE PERFECT BLEND SWEETEN YOUR IRA A TRUE BOTTOMLESS CUP ESSENTIAL DOCUMENTS

PERSONAL PLANNING NEWSLETTER



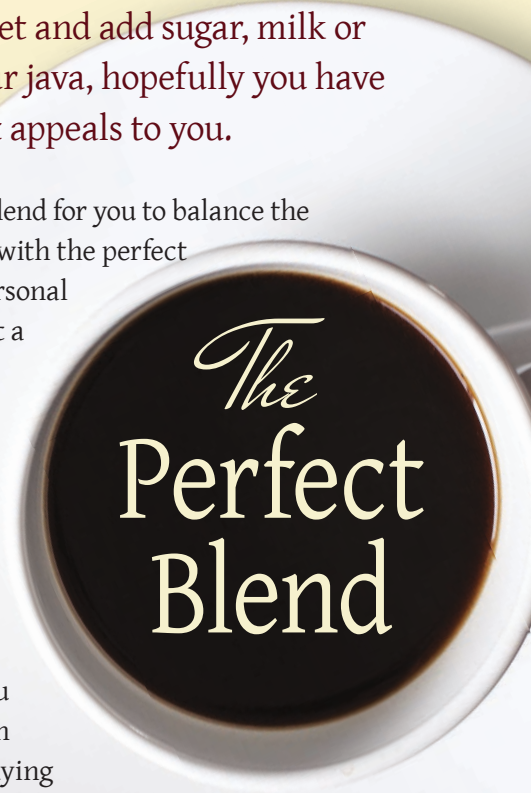
By blending your gifts, you can create just the right recipe to provide the tax or income benefits you want today while leaving a greater impact tomorrow.

How do you like your coffee? If you are a coffee drinker, you probably like your coffee prepared a certain way. Do you like it scalding hot or iced? Do you have a favorite blend? Maybe you like it sweet and add sugar, milk or cream. However you like your java, hopefully you have found the right mix for what appeals to you.

*I*n the same way, there is a right blend for you to balance the important priorities in your life. As with the perfect coffee, you can set goals for your personal philanthropy that will make life just a little sweeter.

For example, if you own highly appreciated stock and are concerned about paying capital gains tax, you can benefit by donating some of your stock to support your United Methodist church and/or favorite ministry. You will receive an income tax deduction for the value of the stock without paying any gains on the amount transferred. It is important to transfer, not sell, the stock for you to receive the full benefits. By making a charitable gift of stock, rather than a cash gift, you avoid capital gains but still receive an income tax deduction. And you can even use the cash you would have otherwise given to buy more of the same stock at a new, higher basis.

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Sweeten Your IRA



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But to make the gift even sweeter, blend your gift of stock today with a gift of additional stock (or other assets) in your will or as a beneficiary designation. By giving stock now, you receive income tax and capital gains tax benefits immediately. By adding to your gift later, your giving will become even more powerful (and this additional gift won't change your lifestyle). You can add as much or as little as you want so that your total gift has just the impact you desire.

Blend your giving to maintain maximum control with minimal taxes and effort. There are just as many ways of blending gifts as there are ways of making coffee. Call or email us today to learn how you can combine your gifts for maximum impact, benefit today and continue to support United Methodist causes in the future.

Have you ever tried to pour coffee before it is done percolating? The result is usually coffee everywhere! Even if you avoid spills, your coffee just won't taste right if it hasn't finished brewing.

There are other times in life when we may be forced to take something sooner than desired. An example of this is the required minimum distribution (RMD) from your IRA. Did you know that once you reach 70½, the government will require you to take distribution from your IRA, even if you do not need the money or might think it better to preserve your IRA for something important, such as a rainy day? The RMD could also substantially increase the taxes you have to pay on your income.

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If you are faced with an RMD this year, consider a better use for the funds. Make a gift of your RMD (up to \$100,000 this year) directly to charity. Contact your IRA administrator and ask for the forms to make a charitable transfer to support the mission of your United Methodist church and/or favorite ministry. The transfer counts against your RMD, but because you never received the IRA distribution, you will not be taxed on this amount.

Rather than pay income tax on your required minimum distribution, transfer the funds to charity instead.

While this helps with your immediate RMD concerns, consider amplifying your annual gift with a legacy gift. Your IRA rollover gift can be combined with a bequest made in your will or additional IRA beneficiary designation gift to make an even greater difference. By giving directly from your IRA today and supplementing it with a bequest, you can make your giving go further by giving when the timing is right for you.



If you want your IRA to continue your giving legacy, ask your plan administrator to add your United Methodist church and/or favorite ministry as a remainder beneficiary on your account.



A True *Bottomless Cup*

Many restaurants advertise a “bottomless” cup of coffee. No matter how much you drink, someone will always come around to give you more with no end in sight. Wouldn’t it be nice if other things in life were endless?





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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. The GUMF offers investments, loans, and endowment services, as well as grants and scholarships. We also offer free planned giving strategies, wills clinics, and personal consultations. For more information, call 770-449-6726 or 877-220-5664, email info@gumf.org or visit www.gumf.org.

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SAVVY LIVING ON ESSENTIAL LEGAL DOCUMENTS *By Jim Miller*

This SAVVY LIVING column by Jim Miller is so important and such a great reminder at the beginning of the year that we decided to run it again in 2017.

Dear Savvy Living,

I would like to get my affairs in order. What legal documents are suggested for end-of-life plans?

There are four or five essential legal documents that every adult should have prepared that will protect them and their family. These documents direct your family and health care providers regarding your end-of-life plans and your estate. End-of-life plans should be clearly stated and legally enforceable in order to minimize conflicts and confusion among family members and health care providers if you become incapacitated or pass away. These essential documents include a will, revocable trust, a durable power of attorney and an advance health care directive.

A Will: A will allows you to direct the disposition of your assets after you pass away. For example, you can direct property to family, friends or charity. As part of the will, you will designate an executor to carry out your wishes and name a guardian if you have minor or dependent children.

Revocable Living Trust: If you own real estate or have considerable assets, another option you may want to

consider is a revocable living trust. This functions like a will, but allows your estate to avoid the time and expense of probate (the public legal process of administering an estate under a will) and helps ensure your estate's privacy.

Durable Power of Attorney: A durable power of attorney allows you to designate someone you trust to make financial, tax and legal decisions on your behalf if you lose your decision-making capacity.

Advance Health Care Directive: This directive includes two documents that spell out your wishes regarding your end-of-life medical treatment. A "living will" tells your doctor what kind of care you want to receive if you become incapacitated. In a "health care power of attorney," you authorize a person to make medical decisions on your behalf if you become incapacitated.

Learn About Your Advance Directive: If you need to create an advance directive, you can do that for free at caringinfo.org (or call 800-658-8898), where you can get state-specific forms with instructions. Alternatively, for only \$5, the Five Wishes document (agingwithdignity.org,

888-594-7437) will help you create a customized advance directive that is valid in 42 states.

How to Get Help from an Attorney:

You should hire an attorney if you have a complicated financial situation, blended family or have considerable assets. Additionally, you may hire an attorney if you simply want assistance. An experienced lawyer can make sure you cover all your bases - especially when writing a will or living trust - which can help avoid family confusion and squabbles after you're gone.

Costs will vary, but you can expect to pay somewhere between \$200 and \$1,000 for a will or \$1,200 to \$5,000 for a living trust.

The American College of Trust and Estate Counsel (actec.org) and the National Academy of Elder Law Attorneys (naela.org) websites are good resources that have directories to help you find someone in your area.

To find low-cost legal help in your area, call the Eldercare Locator at 800-677-1116 for a referral.