

How to Give a Gift as Large as you Would Really Like to Give...

WHILE YOU ARE CONSIDERING your gift to the Marsh 2.0 Capital Fund Campaign, you might want to consider some ways to help you give as generously as you really want to give. Most members, especially those with appreciated assets, will find that by taking full advantage of tax laws and IRS rulings you can:

Reduce the net cost of your gift and

Give far more than you imagined.

Your contribution to the First Church operating fund probably comes from your monthly income. There are tax deductions for these gifts. Gifts to renovate a portion of the First Church campus help the giver and the church the most when they come from appreciated assets. Tax considerations are neither simple nor well known. Yet the savings can be important, actually reducing the net cost of your gift.

As you think about your gift to the Marsh 2.0 Capital Fund Campaign, think about a 3-year/ 5-year gift of some of your accumulated assets given on the schedule that you and your advisors deem best.

This will permit you to be as generous as you really want to be and reduce the net cost of your gift.

- 1. SECURITIES.** One of the most common, easiest and best ways to make a contribution to the Marsh 2.0 Capital Fund Campaign is to donate appreciated securities. When you donate a stock or other security that has appreciated in value, not only can you avoid paying income taxes on the unrealized gain on that security, you can also receive a charitable donation deduction for the full fair market value of that security, giving you a dual income tax benefit. To receive this tax benefit the gift must be made by donating the actual stock, bond or other security to First Church.

Gifts of Real Property can provide the same kinds of tax advantages as with gifts of appreciated securities.

- 2. IRA DISTRIBUTIONS.** The second most common creative donation is to give money from an IRA directly to First Church. This is called a qualified charitable distribution (QCD). Members who are age 70½ or older can make QCD's up to \$100,000 per year, which are transfers from their IRA accounts directly by the trustee to First Church. Such distributions are not included in the member's taxable income or allowed as a charitable deduction. The distribution does count toward the individual's required minimum distribution. By keeping the distribution out of the individual's income, it can reduce the amount of social security income that gets taxed, reduce future Medicare premiums, increase allowed medical deductions and totally avoid state income tax.
- 3. REAL PROPERTY.** Among your assets, you may have land, buildings, leases, mineral rights—any variety of property that might have sharply increased in value since you purchased it. Even a company—or interest in a company—may have a greater value today than your original investment.

continued >

First  Church

FIRST CHURCH OF CHRIST IN WETHERSFIELD

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We are a community of Jesus followers who love God, love one another and make disciples.

Even with the 1986 and subsequent tax law revisions, you can still give appreciated real property of any kind to First Church and take a charitable deduction. Consider it with your tax advisor.

4. **PERSONAL PROPERTY.** What is true of real property is also true of personal property. Gifts of antiques, paintings or other art objects—including everything from livestock to jewelry—can hold tax advantages when given to First Church.
5. **LIFE INSURANCE.** There are many ways to give via life insurance. You may have policies that have outlived the purposes for which they were obtained, such as sending the kids to college. You may have paid-up policies that you don't really need and that, if given to First Church, would allow you to make a significant gift and take a tax deduction—allowing you to give very generously—without touching your current cash flow, and which, over time, may actually save tax dollars. By endorsing such policies over to First Church, you may deduct the actual cash value at the time of the transfer. You may wish to keep the policy but borrow against the cash value, making a larger gift possible without touching current income. You can also consider a longer-range gift by purchasing an insurance policy, making First Church the owner and deducting the annual premiums as charitable gifts.

Check with your insurance advisors.

PLEASE NOTE:

Tax rules are always subject to change. Please consult with your tax advisor.

All of these examples are merely illustrations of what may be possible through the Marsh 2.0 Capital Fund Campaign. They are suggestions, not official tax rulings.