A Guide to Planned Gifts
We are delighted to bring you this publication featuring a variety of flexible planned giving opportunities. A planned gift connects a lifetime of accumulated resources with the joy of giving back. A planned gift also provides you with the satisfaction of making a difference in the future of WGCU Public Media.

Our donors have the ability to assign the proceeds from their planned gifts to support annual operating expenses, to support specific departments (i.e. local television production, radio or television programming departments, outreach), or allow WGCU to use the funds in an unrestricted manner.

Planned gifts provide a strong foundation for the long-term sustainability of WGCU Public Media in Southwest Florida. Please call the Development Office at 239-590-2345, or email us at memberservices@wgcu.org to discuss your giving opportunities through planned gifts.
As we confront the challenges of the future, we know that the generosity of those who assist us will make all the difference in our success. That’s why we seek your support. But we also want to make sure that you benefit from making a gift to us.

How does this happen? Of course, you have the satisfaction that comes from knowing you have made a difference in the lives of others. But in fact, the best gift plans also improve your financial and tax situation, often right away.

There are many ways that your philanthropic giving can blend with your own financial needs and tax planning. This booklet will allow you to explore the possibilities for creative gift planning.

To design a gift that benefits the people and organizations you care about most, we recommend that you obtain professional counsel of an attorney who specializes in gift and estate planning. We can work with your advisors to help you plan for tomorrow and receive maximum benefits today.

**Benefits:**

- Current income tax deduction
- Avoidance of long-term capital gains tax
- Increase in income and effective rate of return
- Reduction in estate and gift taxes

“We make a living by what we get, but we make a life by what we give.”

— Winston S. Churchill
A Current Will: A Vital Document

Benefits:
- Allows you to provide for your family after death
- Allows you to distribute your assets according to your wishes
- Saves on estate taxes, with proper planning
- Gives you the opportunity to leave a legacy without giving up assets

Have you put off making or updating your will? Maybe you think it costs too much to make a will. Perhaps you’re having a hard time deciding about how to leave your money. Or you may simply have an aversion to confronting your mortality.

Drafting a will may seem like a daunting task at first, until you realize all the good that comes from having a will.

A bequest in your will lets you pass any amount you wish to charities of your choice, free of estate tax. You can give cash or specific property, a dollar amount or a percentage of your estate, with restrictions or without.

To make sure your will accomplishes your goals according to your wishes, we recommend that you obtain the professional counsel of an attorney who specializes in probate and estate planning.

“What we do for ourselves dies with us. What we do for others and the world remains and is immortal.” — Albert Pine
A Living Trust

Keep Control of Your Assets

A living trust lets you provide for yourself and your family before and after your death. It has built-in flexibility that can work very well with your overall estate plans, because it allows you to stay in control of your assets.

Like wills, living trusts are fully revocable, so you can change or terminate them at any time during your life. But unlike wills, the terms of a living trust can be put into effect immediately.

You can also arrange a contribution to your favorite charity through a living trust by naming that charity as the ultimate beneficiary. This method of giving is attractive because you still have complete control of the assets in your lifetime.

Benefits:

◆ You or a beneficiary receive the income from the trust assets
◆ You’re in charge, but a professional trustee may do the detail work
◆ You name who will ultimately receive the trust remainder
◆ The trust assets bypass probate, so the terms are private
◆ Assets in the trust are removed from your probate estate, so estate expenses may be less

“The greatest use of life is to spend it for something that will outlast it.”

—William James
What to Give
Assets Worth Donating

Benefits:
♦ Gifts of cash result in a current income tax deduction
♦ Gifts of securities also provide relief from capital gains tax
♦ Donations of personal property allow for meaningful gifts

Any type of asset that you irrevocably donate to a charitable organization results in a current income tax deduction. But there may be other tax benefits to your contribution, as well.

Giving cash is the simplest method. But if you contribute appreciated securities that you held more than one year, you have the added benefit of owing no tax on the gain.

You can also donate personal property (like an old car, art, prized collection or antiques) and take a deduction for its full market value if the gift is related to a charity’s exempt function.

These are but three of the types of assets you can donate outright for a charity to receive immediately. Or you can use them to fund a planned gift that gives you lifetime income before the charity receives the gift.

But there are even more potential benefits if you plan your gift creatively.

“How lovely to think that no one need want a moment; we can start now, start slowly changing the world.”
— Anne Frank
Your Retirement Plan Assets
Costly to Inherit

Benefits:
- Naming a charity as the primary beneficiary avoids all income and estate taxes
- Partial savings when you give a charity a specific amount before giving family the remainder
- Naming a charity the contingent beneficiary allows for greater flexibility
- Donating retirement plan assets could be the most cost-effective gift you can make

Did you know that your retirement plan assets are facing double taxation? If you leave the assets to your heirs, you’ll generate “income in respect of a decedent.” So not only is the amount diminished by estate taxes, but the recipient also must pay income taxes on it!

If you can make other provisions for your family, there’s a better option for your retirement plan assets – a charitable gift.

To implement your wishes, simply advise the plan administrator of your decision and sign whatever form is required. For an IRA or Keogh plan you administer personally, notify the custodian in writing and keep a copy with your valuable papers.

“I am of the opinion that my life belongs to the community, and as long as I live it is my privilege to do for it whatever I can.” — George Bernard Shaw
A Look at Bill’s Estate Plan

Bill’s estate contains his personal possessions, an insurance policy and a sizable profit-sharing account. He wants to provide for his children, but is also considering adding a charitable bequest to his will, with the residue of his estate passing to his children.

Tax-Saving Alternative

He should consider naming his favorite charitable organization as beneficiary of his profit-sharing account.

Benefits:

- The value of Bill’s gift qualifies for an estate charitable deduction.
- Assets in the profit-sharing account pass free of any income tax obligation.
- Bill’s children benefit from other assets of his estate that are free of income taxes.

“Never doubt that a small group of thoughtful, committed citizens can change the world; indeed, it’s the only thing that ever has.” — Margaret Mead
Life Insurance
A Versatile Tool for Many Purposes

When you first obtained your life insurance policies, you obviously felt a need for them. But perhaps you don’t need all that coverage today. Yet you still have those policies.

If you’re thinking about making a charitable contribution, a gift of your life insurance could be a sensible as well as generous course of action.

You can also use life insurance to replace the value of a different gift. For example, you could donate stock to a charity because of the tax advantages and purchase life insurance to benefit your heirs in the amount they would have received if you had left them the stock.

Benefits:
- Charitable deduction when you name a charity beneficiary and assign that organization ownership
- Flexibility through naming a charity beneficiary but keeping ownership
- Security for your family by naming a charity contingent beneficiary
- Reduction in estate taxes because proceeds are removed from your estate.

“It is every man’s obligation to put back into the world at least the equivalent of what he takes out of it.”
— George Bernard Shaw
Real Estate
A Tax-Wise Gift

Benefits:
- Income tax charitable deduction for the full fair market value
- Avoidance of tax on the property’s appreciation
- No hassle from trying to sell the property
- No gift tax, plus a reduction of your taxable estate

Are you thinking of selling land or a building? Beware of capital gains tax!

If you sell your primary residence, you can exclude up to $250,000 ($500,000 if you’re married) of the gain. But this tax break doesn’t apply to other types of real estate, so you may have a better alternative.

A charitable contribution of real estate – whether it is your personal residence, a vacation home, a farm, commercial real estate or vacant land – will give you numerous advantages.

When you give your home or other real estate to a charity, you create an enduring testimonial of your interest in the organization’s mission. And what’s more, your personal satisfaction is complemented by valuable tax benefits.

“It is not how many years we live, but what we do with them. It is not what we receive, but what we give to others.” — Evangeline Booth
Retained Life Estate
An Option That Lets You Have It Both Ways

Let’s assume you like the tax advantages that a charitable gift of real estate would offer, but you want to continue living in your personal residence for your lifetime. Did you realize you can give your home to a charity, even though you continue living there?

It’s true. It’s called a retained life estate.

A gift of your home, farm, vacation home, or condominium, even with stipulations about occupancy, results in a charitable deduction on your income tax.

The retained life estate may also provide you with a way to let someone other than you or your spouse (perhaps a sibling or child) have occupancy of your home with reduced tax obligations.

Benefits:
- Lifetime use of the residence for you and/or another person
- Income tax savings through charitable deduction
- Estate tax savings for you and/or another person (if the other person is your spouse)
- Ability to gift only partial interest in property and receive tax advantages

“Coming together is a beginning; keeping together is progress; working together is success.”
— Henry Ford
Closely Held Stock
Make a Gift; Maintain Control

Benefits:
- Income tax deduction for the charitable contribution
- No capital gains tax on the appreciation in value
- No second tax on accumulated earnings by averting a dividend distribution
- You maintain control of the corporation

If you own a sizable block of stock in a closely held corporation, you may have a gift option that makes everyone happy.

Suppose you decide to donate some shares (few enough that you retain 50 percent ownership) to a charity. And then the charity presents the stock to your corporation for redemption. Your corporation uses retained earnings for the purchase.

The charity wins by receiving much-needed funds. But you and your corporation also win.

There’s one caveat: the IRS has ruled that you cannot legally bind a charitable organization to go through with the redemption at the time it receives the shares. But a charitable organization may independently offer the donated stock for redemption.

It’s a favorable option that benefits you and the charity.

“To achieve greatness: start where you are, use what you have, do what you can.”
— Arthur Ashe
Charitable Remainder Unitrust

A Gift with Built-In Flexibility

Benefits:

♦ Lifetime income (often greater than your previous yield)
♦ A sizeable income tax charitable deduction
♦ Avoidance of capital gains if you donate appreciated securities
♦ Professional management of the assets frees you from investment responsibilities

A charitable remainder unitrust is like a combination of a gift and an investment plan. You place assets in trust and you (or another beneficiary) receive lifetime income from them, then a charity receives the remainder.

With a unitrust, the amount you receive as income is a set percentage of the value of the trust assets, redetermined annually.

You also have the option of choosing one of five variations of unitrusts. A unitrust with a net income plus makeup provision, for example, pays only the actual trust yield, even if it is below the stated percentage. Then in later years, when performance is better, those deficiencies are made up.

This option is excellent for devising a supplemental retirement plan. We can provide you with more details.

“Life is not a brief candle. It is a splendid torch that I want to make burn as brightly as possible before handing it on to future generations.”
— George Bernard Shaw
EXAMPLE

Donor
Jane, age 60, has stocks currently valued at $100,000 and yielding a 2 percent dividend.

Gift Vehicle
Charitable Remainder Unitrust

How It Works
Jane transfers the stock to the unitrust and arranges to receive, in quarterly payments, 7 percent of the unitrust assets as determined annually.

Benefits:
♦ Jane receives an income tax charitable deduction.
♦ The first year she receives $7,000 (7 percent of $100,000), a $5,000 increase in income
♦ If the value of her trust increases, so will her income payments, so Jane will have a built-in hedge against inflation.

“I have learned that success is to be measured not so much by the position that one has reached in life as by the obstacles which he has overcome while trying to succeed.” — Booker T. Washington
Charitable Remainder Annuity Trust
A Gift with Predictable Benefits to You

If you’re disappointed in the yield from your current investments in the stock and bond markets, yet you want to avoid the capital gains tax should you sell, try a charitable remainder annuity trust.

This plan will pay you, year after year, the same dollar amount you choose at the outset. The income payments are fixed, based on the starting valuation. Then after your lifetime (and the lifetime of a surviving beneficiary, if desired), the trust remainder is available to support the mission of your favorite charity.

The charitable remainder annuity trust is more than an eventual gift of philanthropy. It lets you give away the tree and still keep the fruit, because you receive an increased income from your donation.

Benefits:
◆ A fixed dollar income paid annually, semiannually, or quarterly
◆ Immediate charitable deduction
◆ A way to increase income from a low-yield holding
◆ Freedom from investment management
◆ Avoidance of capital gains tax on appreciated assets used to fund the trust

“To give away money is an easy matter and any man’s power. But to decide to whom to give it and how much and when, for what purpose and how, is neither in every man’s power, nor an easy matter.” — Aristotle
Charitable Lead Trust
Preserve and Inheritance

Benefits:
- Can be funded during your lifetime or through your will
- You support the mission of your favorite charity through annual income payouts
- Reduces your taxable estate and potential gift taxes
- Assets can be kept in the family

Are you concerned about the possibility of the government taking a huge part of the assets you were planning to leave your heirs? There’s a way to pass assets to your family with a significant estate tax savings while at the same time making a gift to a charity. It’s called a charitable lead trust.

After the charity receives income from assets in the trust for a period of years, the principal goes to your family, with estate or gift taxes usually reduced or even eliminated.

The lead trust is an exceptional way to transfer property to your children or other heirs at a minimal tax cost. It’s ideal if you’re willing to forego investment income on an asset but don’t want to force your heirs to surrender the principal.

With a lead trust, you carry out your philanthropic plans over the coming years and save on taxes.

“Intellectual and material gifts bring the privilege and responsibility of sharing with others less fortunate”
— Marian Wright Edelman
Charitable Gift Annuity
A Way to Boost Your Rate of Return

The concept of a gift annuity is simple. You donate assets that a charity reinvests. The charity agrees to make fixed payments to you for life (and, if desired, for another beneficiary’s lifetime). Then, the funds are available for the charity to use.

A charitable gift annuity is particularly attractive because the rates (based on your age) typically produce higher yields than you would receive in the stock and bond markets.

And when combined with partially tax-free payments, the effective rate of return is even higher.

Benefits:
◆ Lifetime payments for yourself and possibly another person
◆ Charitable deduction for a portion of the value of the gift
◆ Part of the annual payments is considered a tax-free return of capital
◆ Capital gains tax savings when you contribute appreciated securities

“Awaken the philanthropist within.” — Carol Pearson

The information in this publication is not intended as legal advice. For legal advice, please consult an attorney. Figures cited in examples are based on current rates at time of printing and are subject to change.
“The greatest thing this generation can do is to lay a few stepping stones for the next generation”

— Charles F. Kettering
Inventor, Educator, Philanthropist