Leaving Your Legacy: Gift & Estate Planning Basics

Presented by:

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Benefits of Planned Giving

- Utilize Social Capital
- Income Tax Deductions
- Income in Respect of a Decedent/IRD
When Gifts Can Be Effective

- Gifts made while living
  - Income Tax and Estate

- Gifts effective at death
  - only Estate Tax Deduction Available
Charitable Contribution Deductions & Gifting Strategies

- Deduct Charitable Contributions of Money or Property to Qualified Organizations if you:
  1) Itemize Deductions
  2) Deduct up to 50% of Adjusted Gross Income

- 50% Limitation Applies to:
  - Public Charities
  - Private Operating Foundations
  - Certain Private Foundations
Charitable Contribution Deductions & Gifting Strategies

- Contributions must actually be paid in cash or other property:
  - Before the close of your tax year to be deductible
  - Donation of Property other than cash, deduct fair market value of property
Donor Advised Funds

- Charitable giving vehicle for purpose of managing charitable donations on behalf of an organization, family or individual

- Offers the opportunity to create easy low cost, flexible vehicle for charitable giving

- Alternative to direct giving or creating private foundation

- Donors enjoy administrative convenience, cost savings and tax advantages
What the Current Tax Law Provides

- The donor of appreciated securities or other assets receive tax deduction; Avoid capital gains taxes

- Double tax advantage make donating appreciated assets to charity more attractive than selling assets and donating cash

- Donor advised fund and then advising making donations to several charities- tax advantages

- No hassle and paperwork for transferring non-cash assets to several organizations
Leaving IRA Assets to Charity

- Can be a good strategy - $1 example

- Charity, on the other hand, does not pay tax; IRA money to charity is perfect

- When your beneficiary is a charity, split the IRA
How to Make Lifetime Gifts

- Write a check/transfer or book over shares or mutual funds
- Deed of real estate
- Transfer of title (vehicles)
- Delivery of tangible items with receipt
- Establish a donor advised fund
How to Make Lifetime Gifts

- Create a Charitable Remainder Trust
- Charitable Remainder Unitrusts
- Charitable Lead Trust
How to Make Lifetime Gifts

- Private Foundation/Public Charity
- Charitable Gift Annuity
- Bargain sale to Charity (part gift/part sale)
How to Make Gifts at Death

- Will
- Revocable Living Trust
- Beneficiary Designation:
  - IRAs
  - Annuities
  - Life Insurance
- Charitable Remainder Trusts or Donor-Directed Gifts Established at Death
Closing

- Thank you from The WCMS Foundation!

- Questions?

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