



Learn how

your support
can benefit
our work and
your financial
situation.

A Gift That Pays You

Chris created a charitable remainder unitrust funded with \$100,000 in appreciated securities. With this special type of charitable gift, Chris was able to convert a low-yield investment into an ongoing source of income, avoid up-front capital gains tax, secure a generous income tax deduction and make a major charitable gift to support our work.

The trust pays 5 percent of its value each year for the rest of Chris' life. What's more, Chris paid no capital gains tax on the gift of stock or the later sale of the stock by the trustee. Falling in the 35 percent marginal tax bracket, Chris will receive a substantial income tax deduction for a portion of the gift.

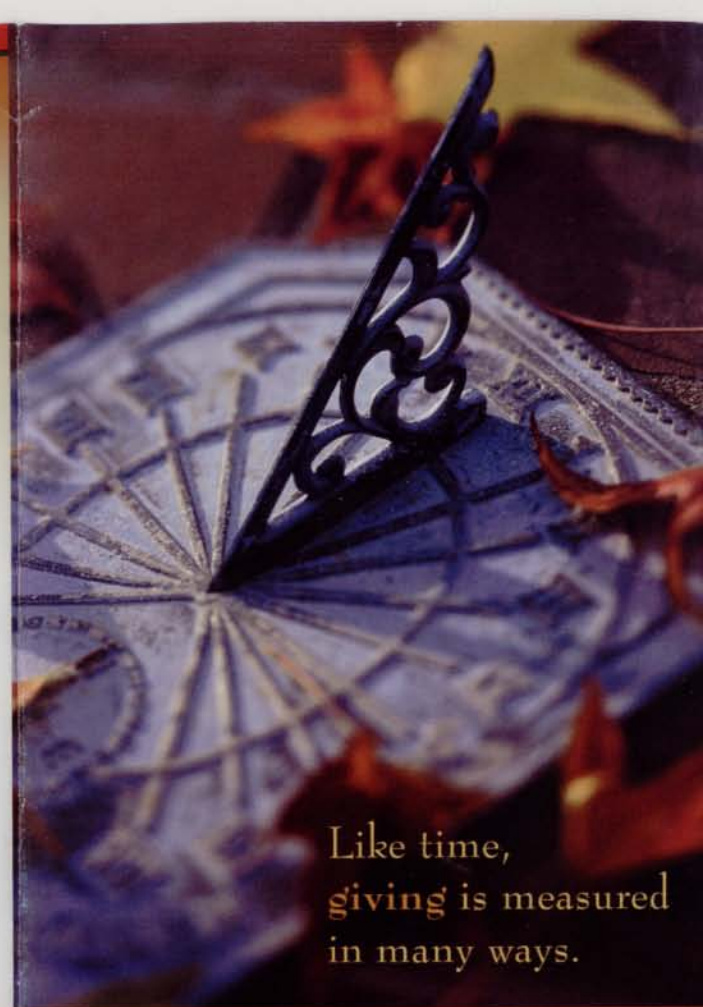
Assumptions

Donor's age:70
Value of stock:\$100,000
Cost of stock:\$20,000

Financial Benefits

- **Increased income:** \$5,000 the first year (which will vary in the future), compared to a \$2,000 dividend previously paid by the stock
- **Tax savings:** Avoids \$12,000 in capital gains tax due if Chris had sold the stock (\$80,000 x 15 percent capital gains bracket)
- **Income tax savings:** Charitable deduction of nearly \$54,000* will save approximately \$19,000 in income taxes

**Based on quarterly payments and a 4.6 percent charitable midterm federal rate*



Like time,
giving is measured
in many ways.



**LUTHERAN
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Ideas for Year-End Giving 2005

A gift to us

at year-end not only demonstrates your belief in our mission but also reinforces your commitment to making a difference in the world. Many types of gifts allow you to fulfill your charitable intentions and may result in immediate and possible future benefits for you and your family.

Gifts of Cash

Cash contributions are deductible as an itemized deduction in the year you make the donation, up to a total of 50 percent of your adjusted gross income. Excess charitable deductions can be carried forward for up to five additional years.

Gifts of Securities

The best stocks to donate are those that have increased in value, particularly those producing a low yield. In order to preserve tax advantages, it is critical that you give the securities to us rather than liquidate them and give us the proceeds.

Appreciated securities. If you donate stock that has risen in value and that you've held for more than one year, you pay no capital gains tax when you make the gift and are entitled to a charitable

deduction for the full fair market value of the stock. (Your income tax deduction is limited to 30 percent of your adjusted gross income. Any excess can be carried forward for five additional years.) If you wish to continue investing in a specific stock, you could donate the stock to us and then use cash to purchase new shares, thus increasing your cost basis to current fair market value.

Depreciated securities. If you have stock losses, generally you should not contribute the stock but rather sell the stock yourself to realize the loss for tax purposes. You can then contribute the cash and take a charitable deduction.

Mutual funds. A charitable contribution of mutual fund shares can provide the same tax advantages as a gift of appreciated stock. Due to the complexities involved in the transfer of mutual fund shares, we encourage you to begin the giving process well before Dec. 31.

Gifts of Life Insurance

You can contribute a life insurance policy to us by naming us as either the owner of the policy or simply as the beneficiary. If you name us as owner and beneficiary, you will be entitled to an income tax deduction limited to the lower of the fair market value of the policy or your cost basis in the contract. In addition, if you continue to pay premiums on a policy that we own, you can deduct the future premium payments.

Gifts of Real Estate

If you own property that is not subject to a mortgage and has appreciated in value, a charitable gift may be an attractive option. You can claim an income tax deduction for property held for more than one year based upon the fair market value of the property, avoid all capital gains taxes and remove that asset from your taxable estate. Or, you can give your home or farm to us now and continue to use the property for life. Due to the complexities involved, we encourage you to contact us to discuss any gift of real estate.

Life Income Gifts

Life income gifts allow you to receive an income as a result of making a charitable gift. Depending upon the type of plan you choose, the payments can be fixed or variable and can be for you or other beneficiaries you choose. For example, you may create a charitable remainder trust to make payments to you for life and contribute money, stock or other property to it. Once placed in the trust, the assets can be sold (avoiding up-front capital gains tax) and the proceeds reinvested to produce a higher yield. Life income gifts entitle you to an immediate income tax deduction, based on the present value of your future gift to us.