

Don't forget to explore other ways to give with your professional advisor. You may be able to give through your business, advised fund, or other planning vehicles.

Give While Meeting a Variety of Needs

There are many ways to make charitable gifts that can also enhance your plans by helping you to:

- **Save taxes.** Income, capital gains, gift, and estate tax savings can all be possible from carefully considering the timing of your gifts and the property used to fund them.
- **Diversify investments.** By planning carefully, you may be able to make significant gifts while reinvesting in a broader mix of opportunities.
- **Increase income.** There are also various plans that can help you convert low-yielding assets into a gift that produces higher income for you. Check with us or your financial advisors for more information.

- **Provide for loved ones.** Certain gift planning tools also can be used to provide a secure source of income for a surviving spouse or other loved ones while reducing or eliminating gift and/or estate taxes that would otherwise be due.

- **Create a memorial.** All of the gifts discussed in this issue may be used to honor the memory of someone special to you.

Make arrangements now to meet with your professional advisors to plan your charitable gifts for maximum benefits to you, your loved ones, and your charitable interests.

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Be Inspired for Smart Generosity

What can I give? How can I give? Why should I give? These are important questions! This newsletter offers ideas about what you can give and how.

People often volunteer their personal reasons for giving to Pine Rest. "We love your mission!" "Pine Rest helps people." "Our family member got help from Pine Rest." "God has blessed us, now we want to help others." These are all fine inspirations for generosity!

Whatever your inspiration, we encourage you to be a smart giver. We invite your call for a confidential discussion of your situation and gift intentions. Further help is available through Barnabas Foundation at no charge to friends of Pine Rest. We look forward to talking with you!

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Foundations for the Future

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A special gift, estate, and financial planning newsletter for friends of the Pine Rest Foundation

The Importance of Giving in the Right Ways

People choose to make charitable gifts for many reasons, including:

- The desire to help others
- A close affiliation with a charitable interest
- A sense of personal fulfillment

There can be important financial benefits, too. For example, gifts to qualified organizations and institutions are generally tax deductible in the year they are completed for those who itemize deductions on their income tax return.

Gifts save taxes

While tax savings rarely rank as the primary motivation for making charitable gifts, favorable tax treatment can help make your gifts more financially attractive. For example, if you give \$1,000 and are in the 28% tax bracket, you pay \$280 less in taxes.

Making your gifts in a form other than cash may make it possible to increase your gifts while realizing even greater tax savings.

Complete your gifts early

If you intend to make charitable gifts or take other actions to lower your taxes in 2008, it is important to complete them no later than December 31, 2008. You may want to meet with your advisor now to ensure you have ample time to accomplish your charitable and other financial objectives.

Year-end planning can provide one of the best means for you to minimize taxes, maximize savings, and carry out your wishes.

We will be pleased to work with you and your advisors as you plan your philanthropic gifts in a timely and advantageous manner.

INSIDE THIS ISSUE

- Tax tips for giving at year-end
- Why give securities?
- Other ways to make gifts this year

Year-End Planning Overview

- All gifts completed by December 31 qualify for tax savings on your 2008 income tax return.
- Keep all receipts and acknowledgment letters, especially for gifts of \$250 or more.
- Using appreciated securities to make gifts can typically yield greater tax benefits.
- Keep track of any capital gains realized this year, as charitable gifts may offset these gains.



GIVING FROM RETIREMENT ACCOUNTS

If you are required to take taxable retirement account withdrawals and do not need these funds, you may wish to give to charity from these funds. You report the withdrawal as taxable income, but generally are allowed an offsetting charitable deduction for your gifts, resulting in a “wash” for federal income tax purposes if you itemize.

Maximize Your Tax Savings

What you choose to give when making end of year gifts can allow you to give more than you might have otherwise thought possible while also increasing your tax savings and other benefits. The following information may be especially helpful as you go about planning your gifts most effectively this fall.

Surprising benefits from non-cash gifts

Funding gifts using stocks, bonds, mutual funds, and other appropriate property that has risen in value since you have owned it can make good sense from both a philanthropic and a financial planning standpoint.

If you have owned such property for more than one year, you can be entitled to an income tax deduction based on the current value of the property, not just the amount you paid for it.

Tax deductions resulting from gifts of appreciated property can eliminate tax on up to 30% of your adjusted gross income (AGI). Any

unused deductions can lower your taxes in up to five future tax years.

When you make gifts of such property, you also bypass capital gains tax that would be due if you sold the property, adding to the tax savings you enjoy from making gifts in this way.

Example: Louis and Suzanne usually make their gifts using cash or by check. This year, however, their advisor suggested they give stock valued at \$30,000 that they purchased a number of years ago for \$10,000.

In their tax bracket, they are entitled to an income tax charitable deduction of \$30,000 while completely bypassing capital gains tax on the \$20,000 increase in the stock’s value. They also enjoy the satisfaction of making a meaningful gift in support of a charitable interest.

Benefit from losses

If you have investments that have **decreased** in value since you have owned them, you may want to consider selling them (thereby creating a tax-deductible loss) and then giving the cash proceeds from the sale. This can result in tax deductions that total more than the current value of the investments.

The resulting cash gift can be used to eliminate tax on up to 50% of your AGI. The tax loss may be used to offset other capital gains.

Check with us or your advisors for more information about tax-favored gifts of securities and other assets.

TAX SAVINGS AT A GLANCE (PER \$1,000 CASH GIFT)

INCOME TAX BRACKET	AFTER-TAX COST*	TAX SAVINGS
25%	\$750	\$250
28%	\$720	\$280
33%	\$670	\$330
35%	\$650	\$350

*The after-tax cost can be even lower, and the tax savings even greater, if you give appreciated assets such as stocks or bonds.

The purpose of this publication is to provide general gift, estate, and financial planning information. It is not intended as legal, accounting, or other professional advice. For assistance in planning charitable gifts with tax and other financial implications, the services of appropriate advisors should be obtained. Consult an attorney for advice if your plans require revision of a will or other legal document. Tax deductions vary based on applicable federal discount rates, which can change on a monthly basis. Some opportunities may not be available in all states. ©MMVIII RFSCO, Inc. All Rights Reserved. NYD2-08

Questions & Answers About Year-End Giving

Q. What can I contribute as part of my year-end planning?

A. Cash, usually in the form of a check, is the most popular type of charitable gift at the end of the year. If you itemize your tax deductions and donate cash, you are allowed to eliminate tax on up to 50% of your adjusted gross income (AGI). Any unused deductions may be used to help reduce taxes in up to five future tax years.

Q. What if I have securities that are worth more than I paid for them, may not continue to grow in the future, and could decrease in value?

A. In that case, you may wish to use the securities to make charitable gifts and enjoy a tax deduction based on their full value while bypassing capital gains tax. Use the cash you might have otherwise given to repurchase the same investment at a new, higher cost basis or purchase other investments and thereby diversify your holdings.

Q. Why should I make my gifts as early as possible?

A. In order to enjoy tax benefits for charitable gifts this year, they must be completed by December 31. Begin discussing your plans with advisors early to allow enough time to complete transfers and avoid hasty, last-minute decisions.

Q. I usually don’t itemize my income tax deductions. Can I still save taxes from my gifts?

A. Yes. Consider making extra gifts this year to boost the total of your deductions over the standard deduction amount, thus qualifying you to itemize. This is sometimes referred to as “bunching” deductions. Remember, you avoid capital gains tax on donated property whether you itemize deductions or not.

Other Ways to Make Gifts

As part of the process of reviewing long-range plans, you may wish to consider ways to leave a lasting legacy after first providing for loved ones.

Wills and trusts

Many choose to include charitable gifts in their will, trust, or other plans. You may wish to provide for heirs and then give a specific amount or a percentage of “what’s left” to charitable interests.

Life insurance

If you own life insurance policies that are no longer needed for their original purpose, you may wish to devote the value of the policies to charitable use today or give all or a portion of the proceeds at the end of your lifetime.

Retirement accounts

Retirement accounts can be subject to both estate and income taxes. For this reason, you may choose to make gifts from these funds and leave other, more favorably taxed assets to loved ones.



Tax Benefits From Gifts of Appreciated Securities

- Gifts of appreciated securities such as stocks, bonds, and mutual fund shares are generally deductible at fair market value, regardless of the original cost.
- Income tax savings can amount to 35% of the value of the assets.
- Capital gains tax that would otherwise be due if the assets were sold can be bypassed if the assets are donated.
- Gifts of appreciated securities can serve to offset tax on up to 30% of your adjusted gross income.
- Unused deductions can help reduce taxes in up to five future tax years.