

Spring 2008

# Foundations for the Future



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

## Where to Turn?

*“Save me, O God, for the flood waters are up to my neck. Deeper and deeper I sink in the mire; I can’t find a foothold to stand on. I am in deep water, and the flood waters overwhelm me. I am exhausted from crying for help; my throat is parched and dry. My eyes are swollen from weeping....” Psalm 69:1-3 (The Message)*

Your gifts are like a life preserver! Here’s an example.

“Where to start with my story? I met my future husband during my last year of nursing school. A year later we married. Our 10 years together were the best years of my life, even though I struggled with depression now and then. After the births of three beautiful kids, our lives began to change when my husband developed a muscle twitch in his thigh. With countless worries through many doctor’s appointments and tests, our suspicions were confirmed when he was diagnosed with ALS, “Lou Gehrig’s disease.” The diagnosis came as a shock: He was only 32. His illness was short. His condition deteriorated rapidly, and he died in February 2004, just six months after his first, mysterious symptoms appeared. Providing his care through our last months together left me exhausted. I lived in a state of shock, confusion, and uncertainty. Friends who once

surrounded me drifted away. I was alone with three very young, grieving kids, overwhelmed, exhausted, and severely depressed.

“Seeing my distraught state, my primary care doctor referred me to Pine Rest. From the start, the treatment and care I experienced there was exceptional. I learned that I have bipolar illness and that the emotional roller-coaster I had experienced for so long could be managed. Any one of several experiences could have triggered my depression. I now understand that my struggle with high and low moods will need life-long attention. I have knowledge and hope gained through treatment. With the help I am receiving, I can be a good mom, an effective nurse, and a reliable friend. The Pine Rest treatment team shared their Christian faith with me and encouraged me during the darkest days of my life.

“I thank God every day for leading me in the right direction. My therapist helped me get

perspective on my struggles and my strengths. When she learned that my insurance would not fully cover the cost of my treatment, and that I was not in a position to meet the cost myself, she informed the Medical Director. Thanks to their help, I received assistance with my bill. *I can’t find words to express my thanks for the Patient Assistance Fund! It allowed me to move forward in my new life as a single parent. Relief from the burden of my medical bills is a priceless gift!”*

Psalm 69:13 states: *“But I keep right on praying to you, Lord, hoping that this time you will show me favor....answer my prayer with your sure salvation.”*

Through a planned gift, you can help meet those cries for help! Your gift will create immediate help and ensure that future generations will have opportunities to experience Christian mental health care during times of challenge. You have a beautiful legacy to leave! Establish your legacy today. If you have questions, need assistance, or would like more information about **The Founders Circle**, please contact Scott Halquist at 616.281.6375 or [scott.halquist@pinerest.org](mailto:scott.halquist@pinerest.org).

## GIVE THE RIGHT PROPERTY AT THE RIGHT TIME

### *Take losses—give cash*

If you have investments that have decreased in value, consider selling them and giving the cash proceeds. You may be able to deduct the amount of your loss as well as the amount donated, resulting in deductions that could total more than the current value of the investments.

### *Give out of the market*

Gifts of appreciated securities that you believe may decline in value in the future can allow you to lock in today's value for income tax purposes and avoid losses from future market declines.

### *Timing your gifts*

To ensure your gifts are deductible from this year's tax return, you must complete them by December 31, 2008. If you expect to be in a lower tax bracket next year, your gifts may never save you more.

# Make the Most of Your Charitable Giving

After you have decided you would like to make a gift in support of one or more charitable interests, the property you choose to give and the way you make the gift can have a significant impact on the amount you can give in light of other personal goals. Here are a few of the more popular ways you may wish to make your gifts in 2008.

### *Cash gifts*

Contributions by cash or check are the most common ways to fund charitable gifts. Through careful timing of your gifts, it can be possible to eliminate federal (and perhaps state) income tax on up to 50% of your adjusted gross income (AGI).

### *Gifts of property*

You may wish to consider a gift of other assets, including stocks, mutual funds, bonds, real estate, or other property. Donating appropriate property that has increased in value may help you avoid capital gains tax and enjoy an income tax deduction for the full market value of the asset in amounts up to 30% of AGI.

### *Gifts by will or living trust*

A will or living trust can be an important way to provide for charitable interests after first taking care of loved ones. Making a charitable gift of cash or other assets through your will or trust can easily be accomplished by having your attorney make a simple addition to those documents.

### *Gifts that provide income*

Special ways to give allow you to retain fixed or variable income for life or another period of time.

Giving in this way can provide additional income for you and/or your loved ones. You can also enjoy significant tax savings and other financial benefits.

### *Retirement plan gifts*

You may be aware that funds remaining in an Individual Retirement Account (IRA) or other retirement plan will be part of your estate at death and can be subject to tax rates as high as 45%. But did you know that after payment of estate taxes, your heirs may also be liable for income tax on retirement account assets left to them?

Since the combined impact of estate and income taxes can consume 65% or more of retirement funds, some choose to use these funds to make tax-free charitable gifts through their estate while leaving less heavily taxed assets to family or other heirs.

### *Gifts through life insurance*

You may find that a life insurance policy purchased for the payment of taxes or the protection of a loved one may no longer be needed for its original purpose. In that case, you may wish to redirect life insurance proceeds for charitable purposes.

### *Take the next step*

We encourage you to seek professional advice for help with your will, living trust, or other plans. Ask your benefits coordinator or other financial services provider for the forms required to change beneficiary designations on retirement plans and life insurance policies.

# Accomplish Your Goals

As you consider strategies for accomplishing your personal and charitable objectives for 2008 and beyond, you may want to take the time to do the following:

- Determine the value of your assets and the income they produce.
- Define your goals for the management and future distribution of those assets.
- Review the needs of your loved ones and consider any changes they may cause in your plans.

## *You may have more than you think!*

First, make a comprehensive list of your assets, including their original cost and current market value. This may include:

- Your home, its furnishings, and other real estate.
- Vehicles, valuable collections, and other personal property.
- Checking and savings accounts, certificates of deposit, retirement plans, and other investments.

Be sure to make note of any income produced by certain assets as well.

## *Shaping up your plans*

Next, meet with your professional advisors to set out your personal and philanthropic goals. An attorney, and possibly your accountant, life insurance representative, or other specialist, can help you consider your specific circumstances and structure an estate and financial plan that best meets your needs.

This step may also help relieve you of unnecessary taxation and burdensome administrative details and decisions, bringing peace of mind to you and those who rely on you for financial security.

## *The choice is yours*

Complete, up-to-date, and legally valid estate plans demonstrate your determination to do everything you can to facilitate the eventual distribution of your assets to heirs and charitable interests.

Charitable bequests need not affect your family's future security. You can choose a number of ways to remember charitable interests in your long-range plans, whether it be a specific property or dollar amount, a percentage of your estate, or naming the charity as residual beneficiary to receive all or a portion of what's left after you have taken care of loved ones.

Please let us know if we can help you and your advisors as you consider the charitable dimensions of your plans.



## *Maximize Your Gifts*

Carefully choosing the appropriate assets to give allows you to support your charitable interests while you also:

- Enjoy income tax savings.
- Reduce or eliminate capital gains tax.
- Make larger gifts at no additional cost.
- Create new sources of tax-favored income for you and your loved ones.
- Make better use of retirements plan assets.
- Lessen the impact of estate taxes.

Please call us for more information about the many gift plans available.

*A word to women  
about wills and  
estate planning.*

# *Special Planning for Women*

When it comes to planning for the future, women may have special circumstances to consider.

For example, the fact that women generally have longer life expectancies than men can present planning challenges. Women should plan for longer retirement periods than men. Living longer may mean women will have to make plans for additional health care needs. Widows as well as women who have never married and do not have children need to plan for asset management and other financial concerns in later years.

## *Planning to make a difference*

A properly drafted will or trust can be key to making a woman's wishes known and could help provide asset management later in life. Through such plans, it is possible to choose those people who will provide assistance if needed and thus remove the need to rely on a court to appoint someone to assist in the process.

Obligations to family and others must, of course, come first. But for a woman with philanthropic goals, gifts by will may be especially popular as they are made only after she no longer needs the assets.

## *Increase spendable income*

Other giving options that may appeal to her are those that offer income payments for life. Through the use of various commonly-used gift planning tools, it is possible to enjoy a secure income for life while providing for money management and welcome tax savings as well.

## *Act now*

Have you made certain that your estate and financial plans are complete and up to date? Your attorney and other advisors can assist in assuring that plans meet your current needs and incorporate your goals for long-term economic security and that of loved ones.

NQD-08



*Scott Halquist  
Director of  
Development Programs*

If you are interested in receiving more information on estate planning, simply complete and mail the enclosed form in the return envelope provided.

**Scott Halquist, B.S., RN • Director of Development Programs**  
**Pine Rest Foundation • 300 68th Street, S.E.**  
**P.O. Box 165 • Grand Rapids, MI 49501-0165**  
**(616) 455-8680 • Fax: (616) 455-5360**  
**Scott.Halquist@pinerest.org • www.pinerest.org**

*The Pine Rest Foundation exists to provide Pine Rest Christian Mental Health Services with financial resources and community support so its ministry of love and healing in Christ's name can flourish and be enhanced.*