



## Gifts that reduce your taxes

**Charitable Gift Annuities** provide significant support to LIFRC while also providing an immediate income tax deduction!

Gift annuities are easy to set up and can be funded with a minimum cash or stock gift of \$20,000. Typically, you must be at least 60 years old and the annuity rate varies based on your age. For instance, if you're 75, and give a \$25K gift, your rate will be 6.2%, giving an annual payment of \$1,550. You can also receive a tax deduction if you itemize, and gift annuities can provide lifetime payments to one or two people.

### **Charitable remainder trusts**

You can turn assets into lifetime income and save on taxes by creating a charitable trust. First, you make an irrevocable transfers of assets (cash, stock, or real estate) to fund your trust. The assets are sold and invested to pay income to one or more beneficiaries or your heirs for life or a designated amount of time. Your trust can also pay income to your heirs for life or for a designated period of time.

If funding your charitable trusts with appreciated assets like stock or real estate, you can avoid the capital gains tax you would've owed if selling these assets. Depending on the assets are highly appreciated, the savings can be significant. Also, once the assets funding your charitable trusts stop being part of your estate, a charitable trust can reduce or eliminate estate tax.

When the trust ends, the remainder is given to LIFRC or any cause you choose.

### **IRA charitable rollover**

If you're over 70 ½ years old, you can use IRA assets to make charitable gifts. IRA Charitable Rollover are immediate distributions from your IRA account to a charity like LIFRC—ultimately counting toward your required minimum distribution (RMD). By your reducing taxable income, IRA Rollover can lower your taxes and may help you avoid Medicare high-income surcharges. Even more, IRA Rollover gifts are tax-free for qualified public charities, meaning 100% of your gift will make an impact at LIFRC.

As retirement assets are taxed differently, IRA's left to loved ones can actually become a tax liability. When you leave some or all of your IRA to a good cause, like LIFRC, and other, less tax-vulnerable assets to loved ones, you can avoid this liability. To make a gift through your IRA, ask your plan administrator for a beneficiary designation form and designate LIFRC to receive a percentage of your account or as a contingent beneficiary.

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**Appreciated stock**

When you donate appreciated stock, bonds, or mutual funds you've owned for more than a year to LIFRC, you'll receive a tax deduction for the fair-market value and avoid capital gains tax. If you itemize, you may get additional tax savings.

If you use your appreciated stock to fund a charitable gift annuity or charitable trust, you won't owe capital gains tax when those assets are sold and you'll receive an immediate tax deduction. All while also creating income for yourself and/or your loved ones.

**For more information or discuss your gift, please contact [barbara@lifrc.org](mailto:barbara@lifrc.org)**