



THE SPIRIT OF GIVING

It has been quite a year for the Catholic community in Indianapolis! We helped welcome Pope Francis to the United States with the rest of America, we celebrated the Jubilee Year of Mercy, and more recently and closer to home, we were elated as Archbishop Tobin, was elevated to Cardinal by Pope Francis. As 2016 winds down, our thoughts turn to the birth of the Christ child and we mark this by spreading good cheer and a spirit of giving.

In these last few weeks of the year, we want to thank you for your commitment to the future of our Archdiocese. Your gifts allow so many to serve others in extraordinary ways and make a meaningful difference in the lives of others. We are deeply grateful to you who value our mission to support the legacy of the Church with such kindness.

If you are considering a contribution before the year-end, please know that every gift made to Catholic Community

Foundation is a faith-filled investment in the missions of our parishes, schools and ministries. There are numerous advantages to planning a future gift and developing a strategy for shaping your personal legacy, and any gift you complete this year qualifies for a charitable deduction on your 2016 tax return.

It would be our pleasure to answer your questions or provide more information about giving. Please contact us directly by phone or email, or return the card provided. Be sure to request our free guide, *10 Year-End Taxpayer Strategies*. It's full of tips and ideas for making the most of your planning. Thank you for helping us make a difference.

Sincerely,

Joanna S. Feltz, J.D.
Director of Planned Giving



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NEW LOOK. SAME MISSION.

We're pleased to share our new newsletter graphic design.

TIMING MATTERS

Many factors have an impact on how gifts are made, from personal preferences to taxes to family concerns. One of the most pervasive is timing. Gift timing affects both income tax and personal planning.

MAKING AND COMPLETING A GIFT IN 2016

A charitable tax deduction is a valuable reward for your generosity. To be eligible for a deduction on your 2016 tax return, your gift must be completed by December 31. For federal tax purposes, the completion of a gift depends on the gift itself.

- **Cash or check**—complete when delivered to the charity or placed in the U.S. mail for delivery to the charity (checks may not be postdated)
- **Credit card**—complete when the credit card company posts the transaction
- **Securities**—complete when the donor gives up control (usually the date a broker transfers the securities to the charity)
- **Real estate**—complete on the date the deed is delivered to the charity (or in some states, the date the deed is recorded)

For a year-end gift of securities, keep in mind how much time you may need to complete the gift. Stock transfers can easily be delayed passing through third parties, and the gift amount can be significantly reduced if the market drops before the transfer. Real estate gifts take even more time. Though it may seem obvious, a charity must accept a gift for it to be considered “complete.” Be sure a charity will accept your donation, especially in cases where your gift might be considered unusual in some way.

PLAN NOW, COMPLETE A GIFT LATER

Another way to meet charitable goals is to plan a gift now that will be executed much later. Include a gift to us in your will or living trust, or designate us as the beneficiary of a retirement plan or life insurance policy. There are important benefits to this approach:

- **Ensuring flexibility.** What happens if your needs or goals change? Planning a gift now to be executed later gives you the option to change the gift if need be. You retain lifetime control of the assets or gift property, giving you peace of mind about meeting your needs in future years.
- **Sharing values.** Another personally rewarding benefit is the opportunity to set an example for your family and others. A gift in your will or trust, or a beneficiary designation, demonstrates what is important to you and shapes the way you are remembered by your family and community.
- **Increasing gift size.** These “plan now, execute later” gift options open the possibility of making a larger gift than you might otherwise consider. We can help you explore the ways specific gift designations might fit into your overall plans.

A “PERPETUAL” GIFT

When you make a gift to an endowed fund, or set up an endowed fund, only the earnings from the fund are used to support the Church. In this way, your gift keeps on giving and others benefit from your generosity for years to come. It is a unique way to make a gift that supports our work over and over again. †

MAKING THE MOST OF A GIFT

APPRECIATED STOCK: A DOUBLE TAX BENEFIT

A gift of appreciated stock is a favorite option among our donors. The reason? When appreciated stock (*held more than one year*) is given to the Catholic Community Foundation, there is a double tax benefit:

1. The gift qualifies for an itemized deduction for the full amount of the stock’s value on the date of the gift.
2. The property escapes capital gains tax that would otherwise be due if you sold the stock.

Example: Marta purchased stock 12 years ago for \$5,000. The stock is now worth \$25,000. If she gives the stock to us, her gift qualifies for a charitable deduction of \$25,000—the full value of the stock. In addition, Marta avoids capital gains tax on the \$20,000 gain in the stock’s value.

If you own appreciated property and are considering a gift, factor in the avoidance of capital gains taxes when making a gift of appreciated stock or other property. This giving approach often appeals to donors who want to re-balance a portfolio or are considering a gift using bonuses or other cash.



Every gift makes an impact on our mission, but the way you give can also have a significant tax impact on your personal planning.

RETIREMENT ASSETS: TAXES ARE PART OF THE EQUATION

Qualified retirement plans present a tremendous opportunity for accumulating wealth and preparing for retirement. You pay no income tax on the money you (or your employer) contribute to the plan, and earnings accumulate and grow tax free as well. This combination of tax-free deposits and deferred taxation of earnings maximizes the growth potential of retirement assets.

Nonetheless, income taxes remain a part of the equation. The tax bite comes when funds are withdrawn and you must pay income taxes on previously untaxed contributions and growth. Furthermore, when you leave retirement assets to loved ones, these taxes still apply—heirs must pay income taxes on the retirement assets when they are received.

AN OPTION TO CONSIDER:

If you are a retirement plan participant who wants to make a gift *and* provide for loved ones, you may want to make the Catholic Community Foundation the beneficiary of your retirement plan and leave other assets (such as appreciated stock) to heirs. At your death, we receive the retirement funds. Because we are a qualified charity, no tax is due, so the full amount supports our work immediately. Loved ones who receive appreciated stock benefit from a step-up in the stock's basis. When they sell the stock, tax is due only on the increase in the stock's value since the date of inheritance. Planning estate gifts this way maximizes benefits to heirs and makes the most of your retirement assets.

THE IRA CHARITABLE ROLLOVER:

If you own an IRA, you must take required minimum distributions (RMDs) from the account beginning at age 70½ and pay income tax on those distributions. A charitable alternative is to ask your IRA custodian to make a *direct transfer* of funds from your IRA to us (you cannot personally receive the funds). The transfer counts toward your RMD, and no tax is due! A transfer up to \$100,000 qualifies for this favorable tax treatment, and you can make this gift year after



year. We can provide additional information that will be helpful in planning your gift.

PLANNING FOR THE FUTURE: RECEIVE INCOME FOR LIFE FROM YOUR GIFT

There is a unique way to provide for your future with a gift you make today. You can set up a charitable gift annuity with the Catholic Community Foundation, which is part gift and part annuity. The gift portion qualifies for a tax deduction. In exchange for your gift, we agree to make annual lifetime payments to you or to another beneficiary you designate (two people maximum). This combination—a current tax deduction coupled with income for life—has made the charitable gift annuity a popular planning tool for donors who want to support us *and* provide for their own retirement.

Example: Dean, age 80, makes a gift of \$30,000 to set up a charitable gift annuity. In exchange for his gift, we will pay Dean \$2,040 each year (payment rate 6.8%) for the rest of his life. The gift qualifies for a tax deduction of \$14,654.*

When you defer the start of annuity payments, the payment rate is even higher. A deferred charitable gift annuity often appeals to donors who are still working—particularly those who make maximum contributions (including catch-up provisions) to their qualified retirement plans. †

*BASED ON AN AFR OF 1.8%.



**CATHOLIC
COMMUNITY
FOUNDATION, INC.**

Serving the Archdiocese of Indianapolis since 1987

CREATING A LEGACY. INVESTED IN FAITH.

We hope this newsletter issue has again provided insight into practical ways to meet your philanthropic goals. Please take a moment to complete the form below or contact us by phone or email.

1-800-382-9836 ext. 1482

jfeltz@archindy.org

Name

Address

City/State/Zip

Phone

Email

- I am interested in making a gift from my IRA – please contact me.
- Please send information about making a gift of appreciated stock.
- Tell me more about charitable gift annuities – the gift option that provides lifetime income.
- I am interested in learning more about gifts through my will and remembering Catholic parishes, schools and ministries important to me.

Joanna S. Feltz, J.D.
Archdiocese of Indianapolis
Catholic Community Foundation, Inc.
1400 N. Meridian Street
Indianapolis, IN 46202-2367

Place
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Here





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The Catholic Community Foundation serves the Archdiocese of Indianapolis

THE POWER OF PLANNING



Giving is personally rewarding. Planning before you give, however, can multiply the effect you have and increase the satisfaction you enjoy. A gift of appreciated property (stock or real estate) can have important advantages over making a gift of cash. Or, a gift in your will or trust can allow you to enjoy

your property for the rest of your life while helping others for generations to come. Knowing what to give, and when, is important.

Together, we can identify gift options that meet your goals, shape your legacy, and provide enduring support for the Church. ✝

Please contact us if we can answer questions or help you in any way. Remember to ask for our **FREE** *planning guide, 10 Year-End Taxpayer Strategies*. Thank you for your thoughtfulness and generosity.

