

Make a Gift that Gives Back

Creating a new source of income is a wonderful thing. It's even more wonderful when you do it while making a charitable gift *and* get a tax deduction. Life income gifts offer an income stream and an income tax deduction to a donor while supporting a qualified organization like Interfaith Community Services. Charitable remainder trusts and charitable gift annuities are two examples.

A charitable remainder trust is a transfer of property to a charity. The gift pays the donor for his or her life or for a period not to exceed twenty years. After the donor's death or the end of the period, the remaining property goes to the charity.

When the donor funds a charitable remainder trust (CRT), he or she is entitled to a federal income tax deduction because the transfer of property is a charitable contribution. The CRT can be funded with different types of assets – cash, securities, or real estate. The type of asset provides different tax advantages for the donor and is an important consideration in making the gift.

A charitable gift annuity has similar features to a CRT but is created in a simpler way. A charitable gift annuity is a contract between the donor and the charity. The donor makes a gift to the charity and receives annual income payments for life. The donor will receive an immediate income tax deduction when the gift is established, and a portion of the annual income payments are tax-free.

Life income gifts require planning. Donors should consult with their tax or financial advisor when considering a planned gift. It's a wonderful thing to support Interfaith Community Services and have more income at the same time.

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October 2010