

Charitable Gifting

Birthdays certainly make us pause and reflect. But April 15th really gives me pause! “What could I have done differently? Just how much income tax am I paying each year? And, isn’t there something I can do to reduce that annual gift to Uncle Sam?” Consider a charitable gift.

Charitable gifting does require some forethought and planning. Appearing below are some popular gifting options. At Florida’s Dental Charity these tax-wise strategies will help you either make year end gifts or create a family perpetual endowment that provides the less fortunate with oral health care..

1. Give Securities Instead of Cash. You can magnify your support for worthwhile causes by giving stocks or other assets that have (a) gone up in value and (b) been owned by you for more than 12 months. You can deduct your cost, *plus your untaxed “paper profit”* (capital gain), up to 30% of your adjusted gross income (AGI). Excess deductions can be carried over and deducted for up to six years (the year of the gift plus five years.) Cash gifts are deductible up to 50% of AGI.

2. Make a Large Gift, Receive a Partial Deduction, But Keep Lifetime Income. You can make a gift of significance today yet reserve income for life for yourself or others. You can choose between a fixed income or variable payments. You’ll receive a charitable deduction for part of what you give and if you fund your gift with securities, you may reduce or avoid capital gains taxes. Lifetime payments may be taxed under favorable rules. Call us for details.

3. Make Gifts from Your Business. If you own a business or dental practice, you may have more than one “pocket” from which to give. For example, owners of closely held corporations should consider contributing stock in their companies. In some cases, it may be more favorable for the corporation to make charitable gifts. Ask your advisors.

4. Make “Temporary” Gifts of Cash or Income-Producing Property. Letting charity “borrow” income-producing assets for several years (through a charitable lead trust), with the assets later passing to children or grandchildren, can reduce income taxes and future gift taxes, estate taxes and generation-skipping transfer taxes.

Special Gift Planning Opportunities

Call Our Foundation’s Gift Planning Office Before You...

- Sell investments at a profit
- Make or amend your will, or establish a living trust
- Sell or transition your dental practice
- Create a family foundation
- Roll over low-interest CDs or bonds
- Name beneficiaries for pension plans or life insurance.
- If you’re over 70 and preparing to take a distribution from your IRA or pension plan.



For more information
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Making Charitable Gifts from Your Estate

Gifts by Will or Living Trust – A bequest is the most traditional way to provide important help for worthwhile causes. With a gift through your will or living trust you retain full use of your gift property during your life. It's also possible to make a gift at death but reserve lifetime income to a spouse or other family member. Ask us for details. As a minimum bequest, you might consider using the table below. We will be happy to provide you or your attorney with sample bequest language.

Life Insurance – You can name a charity as the beneficiary of your life insurance – just contact the company. A better idea may be to transfer actual ownership of the policy to an organization, or buy and contribute a new policy. Such a gift will entitle you to an income tax deduction, and future premiums payments will be tax deductible. Note that there are stringent rules regarding deductibility so give us a call fro details.

Financial Accounts – Most accounts at financial institutions can be made payable at death to a person or a charitable organization. Ask the manager of the institution how you can arrange to designate a death beneficiary for your CD, savings account, brokerage account, etc. These gifts are revocable during life.

Benefits from IRAs and Pension Funds – IRAs, Pension Plans and other deferred plan assets are ordinarily double taxed at death. Therefore, your estate can save both income taxes and estate taxes if you make a charity the death beneficiary of all or part of your individual retirement account or other retirement savings plan. You can also arrange for lifetime income to be paid to a family member after your death, with the charity's benefit coming later. In 2004 congressional tax legislation is pending that would permit you to make tax free distributions from your IRA to charity. Call for details or check our website at www.floridasdentalcharity.org .

Your Bequest Can Memorialize Your Annual Contributions*

If your Annual Gifts Total:	You can Perpetuate them with a bequest of at least:
\$100	\$5,000
200	10,000
300	15,000
500	25,000
1,000	50,000
2,000	100,000
5,000	250,000

* A 2% annual return on your bequest, as represented in these tables, would ensure that you can always continue your thoughtful annual contributions. Also ask us about our individual named endowment opportunities in support of oral health care programs in Florida.