



SUGGESTED ARTICLES FOR CONGREGATIONAL NEWSLETTERS OR WEBSITES

The following articles on various gift-planning subjects may be adapted for use in newsletters or similar publications.

June

Your Will. The primary way (though not the only way) we can make gifts is to name ELCA ministries as beneficiaries in our wills or living trusts. BUT, these gifts cannot be made if you do not have a will or living trust. The federal government says that 70% of the Americans that die each year do not have a will. You may have many reasons why you have not made a will – we have all either heard or used, “I am too busy,” “They are too expensive” or “I do not need a will yet,” as an excuse to put off making a will. If you do not have an up-to-date will or living trust, your estate may not go to the persons in your life who need your continued financial support after your death. Further, the ministries you have supported in your life may not receive your money in death. Ask yourself if a will or living trust is an important way to both witness and carry out your faith. As you think about your life and your estate, like so many other Christians, you will surely answer that question “yes.” Be a willing witness to your faith – make or update your will or living trust today.



For more information: Contact Timothy Knutson, ELCA Foundation at (414) 477-9979 or timothy.knutson@elca.org, or Pastor Larry Westfield, ELCA Foundation at (262) 224-9574 or larry.westfield@elca.org, or Bishop Thomas Skrenes at (906) 228-2300 or tskrenes@nglsynod.org

July

Why Give to Endowments? Many ELCA churches and ministries have endowment funds or foundations – in churches these are usually called “Mission Endowment Funds.” A Mission Endowment Fund is intended to provide an opportunity and vehicle for congregations to provide for people beyond themselves – in other words, to provide outreach. Typically the endowment has provisions that preserve the bulk of the principal while allowing for annual distributions of a reasonable portion of the fund. Thus, such gifts outlive us, and continue to spread God’s blessings to future generations. None of us can fully predict what the needs will be of church ministries 20, 30 or even 50 years from now. A Mission Endowment Fund receives, holds, invests and distributes assets with a long-term view centered on mission outreach. Consider giving to an ELCA ministry endowment fund in order to pass your blessings on to future generations.



For more information: Contact Timothy Knutson, ELCA Foundation at (414) 477-9979 or timothy.knutson@elca.org, or Pastor Larry Westfield, ELCA Foundation at (262) 224-9574 or larry.westfield@elca.org, or Bishop Thomas Skrenes at (906) 228-2300 or tskrenes@nglsynod.org

August

Life Insurance Policies can make excellent gifts to ministry. By simply changing policy beneficiaries, your favorite ELCA ministry can ultimately receive all or a percentage of the death benefit of your life insurance policy. Transferring a cash value policy to a ministry avoids ordinary income tax while you receive a charitable income tax deduction. Purchasing a life insurance policy in the name of the ELCA or our Synod or your congregation will ultimately leave a substantial gift to a favorite ministry. In turn, you receive an income tax deduction for the annual premium that you pay on the new policy. Life insurance gifts are a great help to your church ministries as they seek to carry out their Christian missions.



For more information: Contact Timothy Knutson, ELCA Foundation at (414) 477-9979 or timothy.knutson@elca.org, or Pastor Larry Westfield, ELCA Foundation at (262) 224-9574 or larry.westfield@elca.org, or Bishop Thomas Skrenes at (906) 228-2300 or tskrenes@nglsynod.org

September

Shares of Common Stock (and mutual funds) are often used to make gifts to ELCA ministries. Most often the donors avoid paying capital gains taxes on appreciated shares of stock while receiving a charitable income tax deduction for the value of the stock. Even though capital gains rates have been reduced, significant tax savings from the gift of common stock or mutual funds may be available to you while you benefit your favorite ELCA ministry



For more information: Contact Timothy Knutson, ELCA Foundation at (414) 477-9979 or timothy.knutson@elca.org, or Pastor Larry Westfield, ELCA Foundation at (262) 224-9574 or larry.westfield@elca.org.

October

ELCA Donor Advised Funds are a way in which a donor may retain practical control of how much, when, and to what ministry a gift to the ELCA is distributed. By giving, a person may contract with the ELCA not only to retain supervision of the use of the gift with ELCA ministries, but may also pass that supervision to family members to encourage their faith-based giving. By making the gift \$25,000 or more, the fund may become an endowment, meaning that principal is retained and only earnings are distributed annually. In effect, this creates a vehicle similar to the foundations utilized by the wealthy. Family members continue to make distribution decisions, and the philanthropy of the donor therefore continues long after their life. But most of all, the family has the satisfaction of making significant gifts each year to worthwhile ministries.



For more information: Contact Timothy Knutson, ELCA Foundation at (414) 477-9979 or timothy.knutson@elca.org, or Pastor Larry Westfield, ELCA Foundation at (262) 224-9574 or larry.westfield@elca.org.

November

Charitable Gift Annuities are the most popular way for seniors to make gifts to ELCA ministries while providing themselves with the life income. Gift annuity life income distribution rates are based largely on age. A significant income tax deduction is received, and a major portion of the annual income from the gift annuity is received tax-free. If the intent to make a gift exists, when compared with the current rates of return of fixed investments, gift annuities represent a significant improvement in life income for seniors. ELCA charitable gift annuities are thus an excellent way for seniors to enjoy the benefits of a life income gift.



For more information: Contact Timothy Knutson, ELCA Foundation at (414) 477-9979 or timothy.knutson@elca.org, or Pastor Larry Westfield, ELCA Foundation at (262) 224-9574 or larry.westfield@elca.org.

December

Wealth Replacement Life Insurance is a tool used to facilitate some life income gifts to ministry. The concept is for an insurable donor to make a gift for ministry to the ELCA. The donor then receives a life income. Part of that income is used to purchase life insurance on the donor's life. This insurance policy is put into a trust for the donor's heirs. At death, this trust is paid to the heirs/beneficiaries to replace the wealth that was given to ministry. If a life income gift is for you, wealth replacement insurance may be a way for you to preserve your estate value for your heirs. Your gift planner can help you consider the use of wealth replacement life insurance.



For more information: Contact Timothy Knutson, ELCA Foundation at (414) 477-9979 or timothy.knutson@elca.org, or Pastor Larry Westfield, ELCA Foundation at (262) 224-9574 or larry.westfield@elca.org.

January

Retirement Plans can lead to significant income taxes for heirs of a retiree. The fact is, often retirees do not draw installments (called annuitizing) from their IRAs or other retirement plans. This leads to substantial retirement plans passing at death to the named beneficiaries. These heirs will face ordinary income taxes at their frequently high income tax brackets. Changing the retirement plan beneficiary designation to make an ELCA ministry the beneficiary of a portion of the retirement plan provides the dual benefit of being a gift to ministry that also avoids income taxation on the portion of the retirement plan proceeds given to ministry. Utilization of a remainder trust may provide income to heirs, spread out the taxable income and ultimately provide a gift to ministry. Think about the needs of your heirs and talk to a gift planner in your synod about whether a portion of your qualified retirement plan or IRA should be given to an ELCA ministry at your death.



For more information: Contact Timothy Knutson, ELCA Foundation at (414) 477-9979 or timothy.knutson@elca.org, or Pastor Larry Westfield, ELCA Foundation at (262) 224-9574 or larry.westfield@elca.org.

February



U.S. Bonds can be used to fund a life income gift such as a gift annuity. When U.S. bonds are cashed the recipient pays ordinary taxes on the gain in the bonds, which is why so many are never cash in by seniors. However, by cashing bonds and using the funds to enter an ELCA gift annuity, seniors can use the charitable deduction obtained from the gift annuity to help offset the income taxes from the savings bonds. The

best part is that they will then obtain a partly tax free income for life, and the net result may be far better than if they simply cashed the bonds. If you have U.S. Bonds, consider whether the cash from them may be used to make a gift that returns a life income for you.

For more information: Contact Timothy Knutson, ELCA Foundation at (414) 477-9979 or timothy.knutson@elca.org, or Pastor Larry Westfield, ELCA Foundation at (262) 224-9574 or larry.westfield@elca.org.

March

Deferred Charitable Gift Annuities are a way for middle-aged and older persons to plan gifts to ELCA ministries while providing themselves with a future life income. The longer one can defer the payout from a gift annuity, the higher the resulting income percent for the life of the donor(s). Further, an income tax deduction is received when the deferred gift annuity is entered, and a significant portion of the annual income from the annuity is received tax-free when payments begin. If the intent to make a gift exists, when compared with the historical rates of return of fixed investments (and indeed the current fixed investment rates), ELCA deferred gift annuities represent a significant opportunity for future life income.



For more information: Contact Timothy Knutson, ELCA Foundation at (414) 477-9979 or timothy.knutson@elca.org, or Pastor Larry Westfield, ELCA Foundation at (262) 224-9574 or larry.westfield@elca.org.

April

What is whole life stewardship? In large part it is a term referring to the completion of one's stewardship of possessions by providing for the continued work of the church after we leave this earthly realm. How do we do that? A key way is to name an ELCA ministry or ministries as a beneficiary in our will or living trust. It is estimated that as much as 80% of the major gifts to ELCA ministries are made in this manner. There are also other ways to practice whole life stewardship. Naming our Northern Great Lakes Synod, your congregation or other ELCA ministry as the beneficiary (whole or partial) of a life insurance policy is a popular way to continue one's stewardship. Naming ministries as beneficiaries of gift annuities or deferred gift annuities is another way to practice whole life stewardship while assuring donors a fixed life income. Naming ministries as partial beneficiaries of IRAs and other qualified retirement plans avoids income taxes on the gifted portion of the asset that would otherwise be due at death. Consider your legacy to future generations and be a whole life steward of God's many blessings.



For more information: Contact Timothy Knutson, ELCA Foundation at (414) 477-9979 or timothy.knutson@elca.org, or Pastor Larry Westfield, ELCA Foundation at (262) 224-9574 or larry.westfield@elca.org.

May

Leaving a Legacy. We may think that our legacy is set before our death – and typically that is true. However, consider Alfred Nobel. He is remembered as the philanthropist whose foundation promotes world peace through the Nobel Peace Prize. Did you know that Alfred Nobel made his fortune by inventing dynamite? Alfred Nobel was able to shape a legacy much different than what would have normally followed from his invention by planning to use his wealth to benefit future generations. By planning through your will, trust, qualified retirement plan or life insurance policy to leave money to your favorite ELCA congregation or ministry you can help define your legacy of Christian stewardship. Consider particularly the future impact that you can have by giving a portion of your wealth to an endowment fund or foundation of an ELCA church or ministry. These perpetual funds assure that your money will live on to do God's work for generations not yet born! What you do today does shape your legacy, and what your money does after your death can enhance and define that legacy.

Legacy

For more information: Contact Timothy Knutson, ELCA Foundation at (414) 477-9979 or timothy.knutson@elca.org, or Pastor Larry Westfield, ELCA Foundation at (262) 224-9574 or larry.westfield@elca.org.