

# Bequest

A future gift to help your favorite LCMS ministry. A bequest is one of the easiest planned gifts.

## The Details

You can leave a gift to ministry by including a bequest in your will or trust. Property that passes through a beneficiary designation (such as individual retirement accounts) can be left by designating the ministry as a beneficiary.

## Specific Asset Bequests

Many bequests transfer a specific item or dollar amount to a beneficiary. "I give \$10,000 to the Valley Lutheran School undesignated."

## Bequest of a Percent of the Remainder

A fractional amount or percent of what is left of the estate may be transferred to ministry. "I give 50 percent of the remainder of my estate to the Valley Lutheran School, undesignated."

## Bequest of a Percentage of an Asset

You may bequeath or devise a percentage of a particular asset. "I give 50 percent of the proceeds from the sale of my home to Valley Lutheran School, undesignated."

## The Need

Many people want to give to ministry but are unable to donate property during their lifetime. For example, you may have property that will be needed during life to cover living expenses or rising health care costs. You may benefit from donating this property through your estate.

## The Solution

You can retain ownership and use your property during your life and benefit ministry when you pass away.

## The Benefits Gift to Ministry

The ministry receives cash or property.

## Tax Deduction

The amount given to ministry is not subject to federal estate tax or income tax.

## Flexible

You are able to use and control your property during your lifetime.

# Charitable GIFT ANNUITY

You make a gift and receive fixed, lifetime payments for one or two individuals.

## The Details

A charitable gift annuity (CGA) is a contract between you and the Foundation. In exchange for a gift of cash or property, the ministry agrees to make fixed payments to you for the remainder of your life. These payments can also be designated for a second individual, such as a spouse.

## Payout Rate

Your gift annuity payout rate is based on your age. Check with us to see what your payments could be.

## Taxation of Payments

A portion of your gift annuity payments could be tax free. The remaining amount of each payment is taxable at ordinary income tax rates and some portion could be taxed at capital gains rates.

## Timing

A gift annuity contract can begin making payments immediately (a current gift annuity) or you can begin receiving payments at a future date (deferred gift annuity) in exchange for a higher payout rate.

## The Need

You want to make a gift to ministry at death after receiving fixed payments during life.

## The Solution

You and the Foundation enter into a charitable gift annuity agreement.

## The Benefits

### Fixed Payments for Life

**Tax-Free Payments**  
A portion of each payment may be tax free.

### Rates by Age

Payout rates are based on your age at funding.

### Tax Deduction

You will receive a federal income tax deduction.

## Dear Friend,

God has blessed us abundantly. We respond in love by serving Him and sharing our earthly blessings with others. Just as we are responsible managers of God's blessings all through our lives, we are also to practice good stewardship in the way we distribute our earthly blessings when He takes us home to heaven. How can we put a responsible plan in place that makes the very best gifts at the end of our earthly lives to the family we love and those ministries we cherish? Where do we begin?

Valley Lutheran School offers assistance through a spiritual stewardship process called the *Lifetime Plan for Giving*™ in partnership with the LCMS Foundation. This planned giving journey incorporates personal, financial, stewardship and estate planning goals that can provide benefits to you and your heirs while also multiplying and strengthening those ministries you care about. The *Lifetime Plan for Giving*™ process can assist you in determining how to best provide for your heirs while also making a lasting impact on ministry, encouraging stewardship principles in your children, maximizing assets, giving gifts over time, providing tax benefits and much more. Which generosity plan is the best one for you?

This guide explains some of the more common gift planning instruments and their benefits for family and ministry. If you have specific questions, please contact me for a personal illustration and I will answer any questions. The LCMS Foundation provides professional charitable giving expertise and services at no cost. I look forward to hearing from you.

Sincerely,



Anne Meyer-Schmitz  
Development Director  
Valley Lutheran School  
anne.meyerschmitz@vlscrusaders.org



VALLEY LUTHERAN SCHOOL  
4520 ROWND ST.  
CEDAR FALLS, IA 50613  
(319) 266-456  
VLSCRUSADERS.ORG



LCMS FOUNDATION  
1333 SOUTH KIRKWOOD ROAD  
ST. LOUIS, MO 63122-7295  
800-325-7912  
LCMSFOUNDATION.ORG



## GENEROSITY PLANS FOR *Family & Ministry*

Make your ordinary assets  
an extraordinary blessing!

VALLEY LUTHERAN SCHOOL

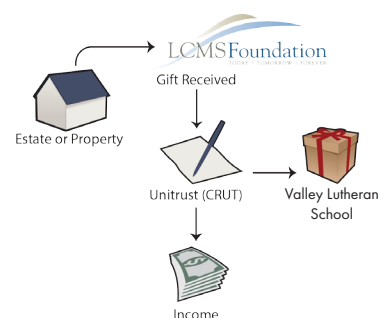


# Charitable REMAINDER TRUST

You transfer cash or property to a trust that pays income for your life or a term of years. The remainder goes to ministry.

## The Details

You transfer cash or appreciated property to the charitable remainder trust (CRT). The CRT is a tax-exempt trust that can sell the property without paying capital gains tax.



## Duration

A CRT can last for the lifetime of one or more beneficiaries or for a specified term of years. This type of trust may, instead, be funded at your death from your estate, pay an income to your heirs, and leave a gift to ministry at the end of the trust.

## Annuity vs. Unitrust Payout

A charitable remainder annuity trust (CRAT) pays a fixed dollar amount each year. A charitable remainder unitrust (CRUT) pays an amount equal to a percentage of the trust value at the beginning of each year.

## Taxation of Payouts

Most CRT payouts are taxed as ordinary income.

## The Need

You desire to convert appreciated property that produces little or no income into a productive asset without paying capital gains tax on the sale of your property.

## The solution

You contribute appreciated property to a charitable remainder trust that will sell the property tax free and make payments for your lifetime or a specified term of years. The trust may pay income to multiple beneficiaries.

## The benefits

### Bypass Gain

The trust sells your property tax free.

### Increased Income

The trust pays you a percentage of its value.

### Tax Deduction

You receive a current federal income tax deduction.

# Retirement ASSETS

You gift your retirement assets and bypass income tax liability. The Foundation pays income to your heirs and makes a gift to ministry.

## The Details

You make a bequest to the Foundation of your retirement assets including your IRA, 401k, 403b, pension or other tax deferred plan.

## Leaving Your Retirement Assets to Us

Your retirement assets may be transferred to us by completing a beneficiary designation form provided by your plan administrator. If you designate us as beneficiary, we will benefit from the full value of your gift because your plan assets will not be taxed at death. You designate the ministries that receive these gifts.

## Leaving Your Retirement Assets for Income

Another option is to leave your retirement assets to a trust that pays income to a loved one after you are gone. You designate the Foundation as trustee of a charitable remainder trust and we pay income to your heirs for up to twenty years. At the end of that period there is a gift to ministry. Please contact us to view an illustration with the benefits of this plan.

## The Need

If you give your retirement plan assets to your heirs, 35-40 percent may be collected as tax. You want to make gifts to your family and ministry and avoid taxes that may be due on these accounts and your estate.

## The Solution

You designate the Foundation as the beneficiary of your tax-deferred retirement plan assets and give your heirs immediate gifts of low-tax assets.

## The Benefits

### Tax Savings

Your family avoids additional income tax. Your estate enjoys estate tax savings if you have a taxable estate.

### Preserves Lifetime Use

You may continue to take withdrawals from your retirement accounts during your life. You benefit both family and ministry with the remaining funds when you pass away.

# Donor-Advised FUND

Build a tradition of giving with your children and grandchildren while you support ministries.

## The Details

A donor advised fund can be a creative way to involve your children and grandchildren in being generous, support your favorite life-impacting ministries and provide an example of generosity and stewardship. Donor advised funds are for anyone. Initial minimum amount to start a donor advised fund is \$10,000.

## The Need

You desire to make a lasting impact on ministry, enjoy tax benefits, and encourage generosity in your children and grandchildren.

## The Solution

A donor advised fund is your personal ministry fund. You (and children/heirs if you wish) recommend the ministries that your fund will benefit as well as the amounts and the timing of your gifts. You can set up a donor advised fund today, with or without funding. You may easily add to the fund during your life to experience the joy of giving now or from your estate establishing a legacy gift.

## The Benefits Simple

It's simple to start. Any asset can be used to establish the fund. Funds can be added at any time; during life or through your estate. A donor advised fund is an easier and less complicated alternative to a private family foundation.

## Flexible

Ministries and other charitable organizations can receive gifts. You and/or heirs select ministries, amount, and timing.

## Sets Stewardship Example

By involving family/heirs in the gifting decisions, you share and demonstrate your strong stewardship values.

## Family/Heirs Participation

Consider starting a Thanksgiving or Christmas tradition with your children and grandchildren to discuss the ministries they want your donor advised fund to benefit in the coming years.

# Endowment FUND

Establish a legacy that supports Valley Lutheran School.

## The Details

Have you considered using a portion of the financial blessings that God has given you to provide continuing support for the ministries you love? An endowment fund provides a dependable stream of funding to ministry. It is also a lasting testimony of your faith by continually impacting the ministries you love. Endowment funds are planned gifts that anyone can consider. A non-perpetual endowment can be started with as little as \$5,000 and a perpetual endowment with a minimum of \$25,000.

## Focus on Mission Achievement

The Foundation manages your endowment which relieves the ministry you love of endowment administration and allows it to focus on mission achievement. Separating the management from the beneficiary also eliminates the possibility of the ministry borrowing against the endowment, or disregarding its restrictions, during difficult financial times.

## The Need

You desire to ensure Gospel outreach and ministry opportunities for future generations and you wish to select what your gifts support.

## The Solution

You can set up a personal endowment today, with or without funding. You may easily add to your endowment during your life to experience the joy of giving now, or fund it from your estate, thereby establishing a legacy gift.

## The Benefits

### Your Intentions Are Carried Out

You choose how the endowment fund is set up and how it will benefit ministry. You can support one or multiple ministries with your personal endowment.

### Simple

It is easy to establish and customize your personal endowment in order to accomplish your gifting and stewardship goals.

### Provide Ongoing Gifts To Ministry

An endowment can be perpetual or last for a term of years. You may also promote the fund, encouraging others to support it.