



Gifts of Love Ministry

# Guide to Planned Giving

What is Planned Giving  
and how your ordinary assets  
can become an extraordinary blessing!



# Dear Sister in Christ,

*G*od has given us so many blessings, and we as Lutheran Women in Mission love to serve Him by sharing our earthly time and talents! God also wants us to do a good job of planning how to distribute our earthly blessings when He takes us home to heaven. How can we put a “good plan” in place? Where do we begin? We suggest you consider **Planned Giving** which incorporates personal, financial, stewardship, and estate planning goals that can provide benefits to both you and your heirs as well as multiply and strengthen God’s ongoing ministry.

There are many different types of **Planned Giving** instruments that can assist you to make a lasting impact on ministry, encourage giving in your children, maximize your assets, give gifts over time, supply additional income, provide tax benefits, and more. Which are the best ones for you?

The goal of this guide is to explain some of the most common **Planned Giving** options and the benefits of giving to ministries like LWML. If you have questions about your specific assets, potential income, or tax savings, please contact me. I would be happy to provide you with a personal illustration and answer any questions you may have about **Planned Giving**. Through our Gifts of Love Ministry, LWML members and their families are able to take advantage of my professional services at no cost.

I am delighted to serve as your LWML Gift Planning Counselor. It’s my privilege to partner together with you to proclaim the Gospel! I look forward to hearing from you!

Your Ministry Partner,

**Linda L. Gage**

*LWML Gift Planning Counselor*

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# Bequest

A future gift to help your favorite ministry.

A bequest is one of the easiest ways for you to make a planned gift.

## The Details

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

## How

You can name LWML in your estate documents. The official legal name is Lutheran Women's Missionary League, of St. Louis, Missouri - Tax ID: 43-0670932.

## Who

Bequests are planned gifts that anyone can make.

## The Goal

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

## The Solution

You can retain ownership and use your assets during your lifetime. When God calls you home to heaven, you leave a gift to ministry, like LWML, through your estate.

## 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.

*Flexible -*

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



# Charitable Gift Annuity (CGA)

An agreement through which you make a gift of cash or securities and receive fixed lifetime payments for one or two individuals.

## The Details

A Charitable Gift Annuity is a contract between you and our ministry partner, the LCMS Foundation who serves as Administrator. In exchange for a gift of cash or securities, the LCMS Foundation agrees to make fixed payments to you for the rest of your life.

## Timing

A Gift Annuity contract can begin making payments immediately (Current Gift Annuity) or you can begin receiving income at a future date (Deferred Gift Annuity).

## Who

A CGA is for a person who desires secure, fixed payments for life. Beneficial for persons with cash or appreciated securities that produce little or no income. A CGA can be initiated with \$5,000 or more.

## The Goal

You want to make a gift to ministry and receive fixed income for the future.

## The Solution

You and our ministry partner, the LCMS Foundation, enter into a charitable gift annuity agreement.

## The Benefits

Fixed payments are made to one or two individuals for life. A portion of each payment may be tax free. You will receive a federal income tax deduction in the year the CGA is made. A future gift will go to ministry.



# Charitable Remainder Trust (CRT)

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

The remainder goes to one or more ministries - like LWML.

## The Details

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

## Gift to Ministry

At the end of the trust payments, a gift will go to your selected LCMS ministries. You may also include gifts to designated charities if desired.

## Who

A CRT is for a person with cash or appreciated property with a value of at least \$25,000; or real estate of \$40,000.

## The Goal

You desire to change appreciated property that produces little or no income into a productive asset without paying capital gains tax on the sale of your property. You also have a heart to support ministry work.

## 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.



# Family Gift Fund

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

## The Details

A Family Gift Fund can be a creative way to involve your children and grandchildren in giving, support your favorite life-impacting ministries and provide an example of generosity and stewardship.

## Who

Family Gift Funds are for anyone. Initial minimum amount to start a family gift fund is \$10,000.



## The Goal

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

## The Solution

A Family Gift Fund is your personal ministry fund. You (and children/heirs) recommend the ministries that your fund will benefit as well as the amounts and the timing of your gifts. You can set up a Family Gift 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.

### *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 children and grandchildren to discuss the ministries they want their Family Gift Fund to benefit in the coming years.



# Endowment Fund

Establish a legacy that supports ministries you care about now and forever.

## The Details

Have you considered using a portion of the financial blessings that God has given you to provide continuing support for LWML and 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.

## Who

Endowment Funds are planned gifts that anyone can consider. For a non-Perpetual Endowment they can be started with as little as \$5,000 and for a perpetual endowment with a minimum of \$25,000.

## The Goal

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 from your estate 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 LWML or multiple ministries with your Endowment.

*Simple -*

It is easy to set up and customize to accomplish your ministry 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.

*Focus On Mission Achievement -*

The LCMS Foundation, LWML's ministry partner, 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.



# Retirement Assets

Avoid the needless pitfall of your estate incurring 25 - 55 percent of your retirement funds to taxes.

## The Details

Your Retirement Assets may be your most effective tool to bless your family and God's ongoing ministry. Retirement plans grow tax-free, but are subject to income tax at death. Consider gifting these assets to ministry by beneficiary designation, or utilizing a Testamentary Charitable Remainder Trust (TCRT) to bless both family and ministry. Testamentary means after you die.

## Who

Anyone can gift Retirement Assets through a beneficiary designation to one or more ministries. Those who have \$25,000 or more in Retirement Assets can consider a TCRT to distribute their assets to heirs and ministry after death.

## The Goal

You wish to avoid significant tax burdens to your heirs from your Retirement Assets, give a gift to strengthen your favorite LCMS ministries, and provide an income stream for your family. By gifting your Retirement Assets directly to ministry, or transferring those assets into a TCRT at your death, you can maximize the value of your retirement savings.

## The Solution

A typical estate plan will transfer a portion of the estate outright to the heirs. Then other assets, such as an IRA can be transferred to a TCRT. Since a TCRT is tax-exempt, no income tax is paid when the IRA is distributed to the Trust. The full IRA value is invested and your children receive payment for up to 20 years. After the term of years has expired, the Trust remainder is distributed to the ministries/charities you selected.

## The Benefits

*Avoid Double Tax -*

Avoid the potential double taxation your Retirement savings would incur if you designated them to your heirs.

*Remain In Control -*

You set up the ministry beneficiary or TCRT now, but retain use of your asset during your lifetime.

*Maximize Assets -*

Can provide an income stream for your heirs AND a gift for ministry. The same dollar does both.

