

Planned Giving

Providing for Mercy Center while making sound financial plans for yourself and your family.

A wide range of giving opportunities fit under the planned giving umbrella, including charitable bequests, life income gift arrangements such as charitable remainder trusts and gift annuities, gifts of real estate and gifts that use retirement and insurance plan benefits.

In return for a planned gift, donors and their families may receive important estate and income tax benefits or an attractive annual income stream for their life or the life of a secondary beneficiary.

Bequests by Will

One of the simplest planned gifts is a bequest through your will in which you designate either a specific dollar amount or a percentage of your estate after other disbursements. In addition to supporting Mercy Center, it serves as an example to your heirs of the values and ideals you hold dear. A bequest also can reduce the amount of your taxable estate, which may increase the actual amount available to loved ones.

Charitable gift annuities

A gift annuity is an agreement between you and Mercy Center. In exchange for your irrevocable gift, Mercy Center pays a fixed dollar amount during your life and/or the life of a designated loved one. The amount you receive is determined by the size of your gift, your age and the age of your beneficiary. Your income is guaranteed, regardless of market fluctuation. A major portion of your income is a tax-exempt return of principal and the income may be deferred until a later time as part of your retirement plan.

Pooled income fund

A pooled income fund is a trust designed to provide variable yet reliable income. Like a commercial mutual fund, it combines your gift with the contributions of other fund participants, wisely investing the sum for a balance of income and growth. Dividends are paid to the shareholders in proportion to each person's contribution. Your donation results in a tax deduction for the year your gift was made, elimination of capital gains tax if you invest appreciated securities, and reduction of estate taxes for your heirs.

Charitable remainder trusts

A charitable trust transfers ownership and management of cash and/or appreciated securities to Mercy Center. Mercy Center manages the trust and pays income to you for the remainder of your life and/or the life of another beneficiary. An annuity trust provides a fixed annual income for those wanting consistent, predictable payments. A unitrust pays a variable return based on market changes, providing an effective hedge against inflation.

Non-cash gifts: retirement plans; life insurance; real estate

Contributions of retirement plans, life insurance and real estate can provide a substantial gift to Mercy Center.

IRA Charitable Rollover (Tax Increase Prevention Act of 2015)

IRA Charitable Rollover Gifts were permanently extended through the Tax Increase Prevention Act of 2015.

The IRA Charitable Rollover provides an excellent opportunity to make gifts during your lifetime from an asset that would be subject to multiple levels of taxation if it remained in your taxable estate.

To qualify:

- You must be 70-1/2 or older at the time of the gift.
- Transfers must be made directly from a traditional IRA account by your IRA administrator to Mercy Center. Funds that are withdrawn by you and then contributed do NOT qualify. Gifts from 401k, 403b, SEP and other plans do not qualify.
- Gifts must be outright. Distributions to donor-advised funds or life-income arrangements such as charitable remainder trusts and charitable gift annuities are not allowed.

The benefits of qualified charitable distributions are:

- Can total up to \$100,000
- Are not included in your gross income for federal income tax purposes on your IRS Form 1040 (no charitable deduction is available, however)
- Count towards your minimum required distribution from your IRA for the year.

As you plan your minimum required distributions, if you do not need the money the government is requiring you to take, please consider using it for a charitable gift using the IRA Charitable Rollover.

IMPORTANT: Be sure to check with your financial and tax advisors to determine whether any of these provisions are right for you. This information is not meant as tax or legal advice.