Multimedia "Ways to Give" Flash Presentation Contains these Sections:

- **Playing a Part**
- **Bequests**
- **Wealth Replacement and Life Insurance**
- **Other Methods of Giving**
- **Life Income Gift Plans**
- **What's Next**

Playing a Part		
	Audio Track	**Visuals**
Screen #1	Charitable Giving is a way to give something back. It's one way to show in meaningful, rewarding terms that it is possible to play a tangible and direct role in returning to society some of what we have enjoyed during life. Charitable Giving lets us share our good fortune in support of important causes—maybe for generations to come.	**Charitable Giving** **=** **A Way to Give Something Back** **Play a Direct Role** ♦ **Share Our Good Fortune** ♦ **Support Important Causes**
Screen #2	In years past, only the very privileged--the truly wealthy among us--had the opportunity to create a lasting legacy. Today, that has changed.	**In Years Past, Only the Privileged Were Able to Create Lasting Legacies** **Today That Has Changed**
2A	Today, thanks to a wide variety of affordable, tax-favored charitable giving opportunities, many, many people can participate at levels that were impossible in years past..	**Thanks to A Wide Variety of Tax-Favored Giving Opportunities** **Many More Can Participate**
2B	The fact is, Americans are making charitable gifts in ever-growing numbers. And as a result, we are experiencing the satisfaction that comes from making a lasting difference in our society.	**Signing on in Growing Numbers…** **Experiencing Satisfaction…** **…Making a Difference**
Screen #3	Here's something else. Not only is charitable giving personally satisfying …it can be financially rewarding as well in significant and substantial ways.	**Satisfying and Rewarding** **Can Be Financially Rewarding**
3A	Countless men and women are discovering the opportunity to save taxes, increase retirement income, or provide cost-effective support for loved ones as spouses, children, grandchildren or elderly parents...	♦ **Save on Taxes** ♦ **Increase Retirement Income** ♦ **Support for Loved One**
3B	Indeed by carefully applying charitable giving techniques, we can… ✓ make a personal statement; ✓ give a larger gift than might otherwise be possible; ✓ help shape the future; ✓ and leave a lasting legacy.	**Opportunity to** ✓ **make a personal statement** ✓ **give a larger gift than might otherwise be possible** ✓ **help shape the future** ✓ **Leave A Lasting Legacy**

Screen #4	To learn more about the tangible rewards, benefits and exciting opportunities provided through participation in charitable giving, simply choose another section.	

Bequests		
	Audio Track	**Visuals**
Screen #1	For a number of practical reasons, the most popular method of making a gift to charity is a charitable bequest.	**Charitable Bequest**
Screen #2	For the most part, making a bequest is as simple as naming a charitable institution in your will. Bequests are popular because they offer an opportunity to leave a lasting legacy and the donor retains full use of the property during life.	**Bequests are popular because…** ✓ **An opportunity to leave a lasting legacy** ✓ **Donor retains full use of property during life, with no immediate out-of-pocket costs** ✓ **Will simply directs that part of the estate will eventually go to one or more named charities**
Screen #3	There's no need to move the earmarked cash or property anywhere other than where it is now. And there is no immediate out-of-pocket cost. Your will simply directs that a specific part of the your estate will eventually go to one or more named charities.	**No Need to Move Property** **No Out-of-Pocket Costs**
Screen #4	Since a charitable bequest can take many forms, the donor has considerable planning flexibility.	**Charitable Bequest** **=** **Flexibility**
Screen #5	One method is to leave a specific asset, a specific sum of money, a percentage of the estate—or what remains of the estate after all the other beneficiaries have been provided for.	**One Method…** ✓ **Name A Specific Asset** ✓ **Name A Specific Sum Of Money** ✓ **Name A Percentage Of The Estate** ✓ **Allocate What Remains Of The Estate After Other Beneficiaries Have Been Provided For**
Screen #6	The testator can also designate exactly how the bequest is to be used. Or it can be left unrestricted so that the charity has the flexibility to meet ever-changing needs.	**Two Choices...** ✓ **Designate exactly how the bequest is to be used** ✓ **Leave it unrestricted so that the charity has flexibility to meet ever-changing needs**
Screen #7	Most important, all bequest provisions can be changed during the testator's lifetime. A will is a flexible instrument that can be altered or amended at will. The testator remains in complete control of the process.	**Most Importantly…** ✓ **Bequest provision can be changed during the testator's lifetime** ✓ **Testator remains in complete control of the process**

Screen #8	Gifts designated for future charitable bequests offer no current federal income tax benefits. But a bequest is fully deductible for federal estate tax purposes when certain requirements are met. This can be a significant factor for estates that are subject to estate tax.	**The Tax Picture…** ✓ **No federal income tax benefits** ✓ **Fully deductible for federal estate tax** ✓ **Estate tax rates are higher than income tax rates**

Other Methods of Giving		
	Audio Track	**Visuals**
Screen #1	There are many charitable giving techniques we can use to support the organizations we care about…schools, hospitals, research facilities, religious institutions. To learn more about specific gifts, click on Cash, Marketable Securities, Personal Property, or Real Estate	**This is a context sensitive graphic. When the user clicks a window will appear on top of the graphic that contains the audio and visual sequences that follow.**
Cash #1	First and perhaps best-known is the old standby…*cash.* It remains the most popular and simplest way to give to charity. The money is immediately available, and every dollar is deductible to the donor in the year it's given…which means that someone in a 33% combined state and federal income tax bracket can give $1,000 to a qualified charity at a net after-tax cost to the donor of only $670.	**Cash: Most Popular, Simplest Method** ✓ **Gift Immediately Available** ✓ **Every Dollar Deductible** **33% Tax Bracket** **Gives $1,000** **After Tax Cost = $670**
Cash Sequence Screen #2	While cash has the advantage of simplicity—it may not necessarily be a good choice for someone who wants to make a major gift.	**Cash Has Advantages** **May Not Be the Best Choice for Major Gifts**
Marketable Securities Sequence Screen #1	Gifts of long-term appreciated securities are typically the most popular type of outright property gift. This type of gift is typically individual stock. However, it could be bonds or mutual fund shares. Why are these gifts popular? Outright gifts of securities can be made quickly and easily—and they often help the donor accomplish more than would otherwise be possible because of their attractive tax benefits.	**Long-Term Appreciated Securities** **=** **Most Popular Type of Outright Property Gift** **Securities = Individual Stocks, Bonds, Mutual Fund Shares** **Gifts of Securities** ♦ **Can be Made Quickly** ♦ **Can Make Greater Gifts Possible Because of Tax Benefits**

Marketable Securities Screen #2	And when appreciated property is held long-term, its full fair market value at the time of the gift is generally fully deductible by the donor, regardless of the original price paid for the investment. For example, if a stock originally purchased for $1,000 is now valued at $10,000 at the time it's transferred to a favorite charity, the donor can deduct the full $10,000 on his or her income tax return—subject to annual income limitations.	**For Appreciated Property Held Long-Term** **Full Fair Market Value of Securities Given to Charity Generally Deductible** **Original Purchase Price: $1,000** **Current Value: $10,000** **Charitable Deduction: $10,000**
Marketable Securities Screen #3	There's another important benefit with this type of giving. A charitable gift of securities is *not* considered a *sale* of the security. So it results in no capital gain tax when it's transferred to the charity. This is a significant tax incentive provided by Congress to encourage gifts of appreciated property. Also, if and when the charity sells donated securities, it keeps every penny of the proceeds because as non-profit organizations, charities do not pay taxes.	**Gift of Securities** **No Capital Gains Tax** **Significant Incentive to Encourage Gifts of Appreciated Property** **Non-Profit Organizations Do Not Pay Taxes**
Real Estate Screen #1	Let's turn now to charitable donations of property that's more tangible than securities-- *appreciated real estate.* When this type of property is donated, capital gains taxes can be avoided—and the full fair market value of the property (based upon a professional appraisal) is generally deductible to the donor as a charitable contribution.	**Donations of Appreciated Real Estate** ♦ **Capital Gains Taxes** ♦ **Fair Market Value of the Property is Deductible**
Real Estate #2	Another attractive provision in the tax law appealing to the charitably-minded allows an immediate income tax charitable deduction for a *gift of a remainder interest* in a home or farm. With this arrangement, the donor retains an absolute right to occupy the property for life—or for the life of another family member. The property ultimately passes to the charity only after the life estate terminates…in other words, at the death of the individual or individuals covered by the arrangement.	♦ **Immediate charitable deduction for a remainder Interest** ♦ **Donor retains an absolute right to occupy the property for life, or the life of a family member.** ♦ **Property passes to charity after termination of the life estate**

Persona l Propert y Screen #1	Donors often use tangible personal property to make charitable gifts. *Tangible personal property* --objects like antiques, artwork, jewelry, or other valuable collectibles-- is deductible at its full, fair market value when its donated to charity if the property will be used for the charity's exempt purpose. If it is not used for the charity's exempt purpose, the deduction is limited to the donor's adjusted cost basis.	♦ **Collectors use tangible personal property for charitable giving** ♦ **Full fair market value of such assets is generally deductible provided it is specifically used for charitable exempt purposes** ♦ **Otherwise, deduction Is limited to adjusted cost basis**
Closely Held Stock #1	Another form of giving involves *gifts of stock in a closely held corporation.* This type of charitable giving presents unique opportunities for close corporation shareholders—particularly when the business has substantial accumulated profits. The reason: Once the gift is made—barring any prearranged plan preventing it—the corporation is allowed to buy back the stock and then retire it. And since the appraised value of the closely held stock is deductible as a charitable contribution, there's no capital gains tax, regardless of how much the stock may have appreciated.	♦ **Gifts of closely held stock present unique opportunities** ♦ **After is made, corporation can buy back the stock and retire it** ♦ **The fair market value of closely held stock is deductible as a charitable contribution** ♦ **No capital gains tax regardless of how much the stock has appreciated in value**

Wealth Replacement and Life Insurance		
	Audio Track	**Visuals**
Screen #1	Let's turn to one of the most popular, economical, and easily-arranged forms of charitable giving…gifts of life insurance. With gifts of life insurance, the insured policyowner simply transfers physical possession of the policy to the selected charity and files an absolute assignment or transfer of ownership form with the insurance company. The company then sends a letter to the charity showing the charity as sole owner of the policy. If the beneficiary designation has not been changed to the charity prior to transferring ownership, the charity should name itself beneficiary after the transfer.	**Gifts of life insurance are simple** ✓ **Simply transfer policy to the charity** ✓ **File an absolute assignment or transfer of ownership form with the insurance company** ✓ **Company sends a letter to the charity showing the charity as owner of the policy** ✓ **If no change of beneficiary prior to transferring ownership, the charity should name itself beneficiary after the transfer**
Screen #2	Here's an example. Catherine owns a $300,000 policy on her life with a cash value of $100,000 The coverage is no longer needed, and no further premiums are due. Catherine can assure that her alma mater will receive the full $300,000 death benefit at her death by making the school the policy's beneficiary. So in that sense, it's a delayed gift. However, by transferring outright ownership of the policy to her alma mater now… Catherine receives an immediate charitable deduction equal to the lesser of her cost basis in the policy, or its fair market value, which is provided by the issuing insurance company. Fair market value in this case is defined as the interpolated terminal reserve plus unearned premiums.	**Example:** ♦ **Catherine owns a $300,000 life insurance policy with a cash value of $100,000.** ♦ **The coverage is no longer needed, and no further premiums are due.** **Catherine assures that her alma mater will receive $300,000 at her death by making them the beneficiary. But by transferring ownership of the policy now…** ♦ **Catherine receives a charitable deduction equal to the lesser of her cost basis or the policy's fair market value.** ♦ **Fair market value is provided by the issuing insurance company—defined as the interpolated terminal reserve plus unearned premiums.**
Screen #3	An equally effective use for life insurance in conjunction with charitable giving is known as *wealth replacement.*	**Another Effective Use for Life Insurance: Wealth Replacement**

Screen #4	Wealth replacement is an important planning tool because it's not unusual for potential donors to be concerned that giving money or property to charity could undermine family planning goals by depriving family members of assets that the estate owner wants retained for their use. It's a classic dilemma: family goals on the one side, philanthropic objectives on the other. Fortunately, wealth replacement is a technique that can help donors achieve both objectives…while providing significant income tax and estate tax savings.	✓ **Concern that a charitable gift could deprive family of needed assets** ✓ **Classic dilemma: family goals on the one side, philanthropic objectives on the other.** ✓ **Wealth replacement can help donors achieve both objectives and provide income and estate tax savings.**
Screen #4A	A wealth replacement strategy combines: ♦ a charitable remainder trust, ♦ a life insurance policy, and ♦ an irrevocable life insurance trust.	**Wealth Replacement** **=** **Charitable Remainder Trust** **+** **Life Insurance Policy** **+** **Irrevocable Life Insurance Trust**
Screen #4B	Wealth Replacement is an effective method of achieving both family and philanthropic financial goals. A wealth replacement strategy minimizes income and estate taxes—and in some cases, capital gains taxes as well.	**Wealth Replacement** **=** **Effective Method of Achieving Family and Philanthropic Financial Goals** **+** **Minimizes Income and Estate Taxes—and Possibly, Capital Gains Taxes**

	Wealth Replacement Case Study	
	Audio Track	**Visuals**
Screen #5	Here's a hypothetical example. Harry is a 72 year old widower. He owns marketable securities that he bought many years ago for $100,000. The securities have since grown to a current worth of $500,000, producing around $15,000 of income each year—a three percent return. Harry has considered selling the securities and reinvesting the proceeds with the objective of generating a higher income, but he knows there would be a capital gains tax on the sale because of the securities' growth. As an alternative, he's thinking of splitting the stock—or the sales proceeds from the stock—in his will among his three grandchildren. Complicating the matter is that Harry also wants to make a substantial gift to his local hospital. But his thinking right now is that his charitable motivations may have to take a back seat to the needs of his grandchildren.	**Example:** ✓ **Harry owns marketable securities purchased many years ago for $100,000** ✓ **Currently worth $500,000, producing around $15,000 yearly** ✓ **Selling the securities and reinvesting the proceeds to obtain a higher income would generate significant capital gains tax** ✓ **Harry would like to split the property in his will among three grandchildren** ✓ **Harry also wants to make a significant gift to his local hospital, but not at his grandchildren's expense**

Screen #6	Fortunately, there's a logical and effective solution*.* First, Harry transfers the securities to a charitable remainder unitrust, naming his local hospital as trust beneficiary. The trust will pay him a five percent income for as long as he lives. And he'll be able to claim a charitable deduction for the present value of the charity's remainder interest in the trust, as well as avoid capital gains tax on the transfer to the trust. Next, Harry uses the tax savings from the charitable deduction and part of the income generated by the charitable remainder unitrust to obtain a $500,000 insurance policy on his life, naming his grandchildren as equal beneficiaries. He assigns the policy to an irrevocable life insurance trust. The life insurance trust is the policyowner. Harry makes annual gifts to the trust from a portion of the income he receives from the charitable remainder unitrust. The trustee uses the gifts to make premium payments on the policy.	**Solution:** **1. Harry transfers the securities to a charitable remainder unitrust—naming the hospital beneficiary—that will pay him a 5 percent income for life. He takes a charitable deduction for the present value of the charity's remainder interest in the trust, and avoids capital gains tax on the transfer** **2. Harry uses the tax savings from the charitable deduction and part of the trust income to obtain a $500,000 insurance policy on his life, naming his grandchildren as beneficiaries and assigning the policy to an irrevocable life insurance trust.** **3. The life insurance trust is the policyowner. Harry makes annual gifts to the trust from a portion of the income he receives from the unitrust.** **4. The trustee uses the gifts to make premium payments on the policy.**
Screen #7	Finally, when Harry dies, the charitable remainder unitrust will be dissolved, and the trust beneficiary—the hospital— will receive the trust assets. Harry's grandchildren will receive the $500,000 death benefit from Harry's life insurance policy. The irrevocable life insurance trust will either terminate or hold and invest the insurance proceeds for the benefit of the grandchildren.	**At Harry's Death:** ✓ **The charitable remainder unitrust is dissolved** ✓ **The hospital receives the remainder of the charitable remainder unitrust** ✓ **Harry's grandchildren receive the $500,000 life insurance proceeds** ✓ **The irrevocable life insurance trusts either terminates or invests the insurance proceeds for the benefit of the grandchildren.**

Life Income Gift Plans		
	Audio Track	**Visuals**
Screen #1	Life income gift plans are becoming increasingly popular with donors. The reason is simple: they offer a unique benefit for the donor and the charity.	**Life Income Gift Plans: Increasingly Popular** **Unique Benefit to Donor and Charity**
1A	A well-planned life income arrangement offers benefits not available with other methods of giving. One important technique gives donors an opportunity to increase spendable income and reduce taxes at the time they make a gift that can have a substantial impact on a charity's future.	**Offers Benefits Not Available with Other Methods of Giving** **A Life Income Arrangement can…** ✓ **Increase spendable income** ✓ **Reduce taxes** **Make a gift that will have a substantial impact on a charity's future**
Screen #2	Let's begin by looking at the most popular life income gift—the charitable gift annuity. The essence of a charitable gift annuity is a contract between the donor and a designated charity.	**Charitable Gift Annuity** **A Contract Between Donor and Charity**
#3	With this arrangement, the charity agrees to pay the donor and/or a chosen beneficiary fixed payments for life. Payments are based on the recipient's age and the amount of the gift.	**Charity Pays Donor and/or a Chosen Beneficiary Fixed Payments for Life Payments Based On Recipient's Age and Amount of the Gift**
#4	Gift annuities are popular for a number of reasons: ✓ They can be structured with a modest contribution; ✓ They can be funded with cash, marketable securities, or real estate; ✓ The donor selects the payment interval—quarterly for example—and names the beneficiaries. ✓ The donor receives an immediate income tax charitable deduction for the gift, subject to certain limitations; and ✓ It's possible to spread out capital gains tax liability—often increasing spendable income.	**Gift Annuities Are Popular Because…** ✓ **They Can Be Structured With A Modest Contribution** ✓ **They Can Be Funded With Cash, Marketable Securities, Or Real Estate** ✓ **The Donor Selects The Payment Interval And Names The Beneficiaries** ✓ **The Donor Receives An Immediate Income Tax Charitable Deduction For The Gift—Subject To Limitations** ✓ **Spreading Out Capital Gains Tax Liability Can Increase Spendable Income**

#5	Finally, part of the annuity payments may be federal income tax-free. Obviously, this effectively increases the return.	**Part of the Annuity Payment May be Federal Income Tax-Free…Increasing the Effective Return**
Screen #6	A charitable remainder trust is another tool that can be used to make a life income gift. A CRT offers a retained right to income from the gift property. This type of flexible trust provides other benefits as well. For example, CRTs provide… ✓ An income for the donor and/or selected beneficiaries for life or a period of up to 20 years. ✓ An immediate and substantial income tax charitable deduction subject to certain limitations. ✓ The potential avoidance of current capital gain taxes when the trust is funded with long-term appreciated property. ✓ A reduction of the donor's estate to avoid or reduce federal estate and or state death taxes. ✓ And a substantial reduction of probate costs at the donor's death.	**Charitable Remainder Trust…another Tool to Make A Charitable Gift** **CRTs provide…** ✓ **An Income for the Donor and/or Selected Beneficiaries for Life or A Period Of Up to 20 Years** ✓ **An Immediate and Substantial Income Tax Charitable Deduction Subject to Certain Limitations** ✓ **The Potential Avoidance of Current Capital Gains Taxes When The Trust Is Funded With Long-Term Appreciated Property** ✓ **A Reduction of the Donor's Estate to Avoid or Reduce Federal Estate And State Death Taxes** ✓ **A Substantial Reduction of Probate Costs at the Donor's Death**
Screen #7	A CRT can generate an immediate income tax deduction. This is true even when trust income is to be paid to the donor and/or other beneficiaries for life. The exact amount of the charitable deduction depends on: ✓ the value of the property transferred to the trust ✓ the amount of income payable each year to individual beneficiaries ✓ the approximate length of time the income benefits will be paid; and ✓ the applicable Federal rates prevailing at the time the gift is made.	**Immediate income tax deduction** **Even when income is paid to the donor or beneficiaries** **Deduction depends on…** ✓ **Value of the property transferred to the trust** ✓ **Amount of income payable to individual beneficiaries** ✓ **Approximate duration income will be paid** ✓ **Applicable Federal rates prevailing at the time the gift is made.**

What's Next?		
	Audio Track	**Visuals**
Screen #1	How do you determine if the ideas in this presentation apply to your planning objectives? Begin by recognizing that every situation is different, so it's important to examine your charitable goals, lifetime income needs and family situation.	**Determine Your Objectives** ✓ **Charitable Goals** ✓ **Income Needs** ✓ **Family Situation**
Screen #2	To evaluate whether a charitable giving strategy makes sense for you, meet with your financial advisor for an in-depth assessment that examines your needs, goals, and plans for the future.	**Evaluation Begins by Meeting with Your Financial Advisor and Examining Needs, Goals, and Plans for the Future**
Screen #3	Together you can begin the process. Determine what works best for you. Choose the concepts that will help you realize your objectives. And take action now to put this valuable planning in place.	**Begin the Process** ✓ **Determine What Works Best** ✓ **Choose Concepts That Realize Your Objectives** ✓ **Take Action**