

# Leaving a Legacy

## Gifts Made Through Strategic Use of Your Assets



Making strategic gifts from assets can provide tax advantages as well as meaningful support for beneficiaries. These gifts would have an immediate impact on the WHC Foundation.



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**WAVERLYHEALTH**  
— C E N T E R —  
**FOUNDATION**

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## Gifts of Appreciated Securities

A gift of stocks or bonds may provide you even greater tax benefits than a gift of cash as you avoid capital gains tax if the securities have appreciated in value, in addition to receiving a charitable income tax deduction.



	Donate stock directly	Donate net proceeds
Current fair market value of securities	\$100,000	\$100,000
Long-term capital gains tax	\$0	\$14,250
Amount donated to charity	\$100,000	\$85,750
Personal income tax savings <i>28% of amount donated to charity</i>	\$28,000	\$24,010

### How It Works

1. You transfer securities to the Foundation, most often by electronic transfer.
2. Contact the Foundation for transfer instructions.
3. WHC Foundation sells your securities and uses the proceeds for the use you designate.

### Benefits to the Donor

1. You receive an immediate income tax deduction for the current value of the securities on the date of transfer, no matter what you originally paid for them.
2. You pay no capital gains tax on the appreciated securities you donate.
3. You can direct your gift to a specific fund or purpose.

## Gifts of Real Estate

A gift of real estate owned for more than one year provides you with both a charitable deduction based on the current value of the property and avoidance of capital gains tax on the sale of the property.



### Example

Laura purchased her home years ago and has watched it grow steadily in value. Still active in her career and traveling recently, she’s beginning to find home ownership more and more of a hassle. At this stage of her life, Laura has decided to move to a 55+ condominium development, where all exterior maintenance is provided and she doesn’t have to worry about security issues. Laura sees this as an opportunity to give her existing house to a charity that’s important to her while realizing valuable tax benefits.

Laura qualifies for a federal income tax charitable deduction of \$250,000, which is for her home’s fair market value today. She is able to claim 30 percent of her \$200,000 adjusted gross income, or \$60,000, in the year of the gift. In the five years following, she can continue to use up the remaining \$190,000 deduction. Laura is happy in her new condo and loves knowing that the gift of her house will make a big difference supporting our mission.

### How It Works

1. You deed your residence, a vacation home, or other investment property to the Foundation.
2. The Foundation sells the property and uses the proceeds to further the mission of WHC.

### Benefits to the Donor

1. You receive an income tax deduction for the fair market value of the no matter what you originally paid for it.
2. You pay no capital gains tax on the transfer.
3. You can direct the proceeds from your gift to a specific fund or purpose.

*\*This information is not intended as legal advice and we recommend you consult your legal or tax advisor to find a plan that best benefits you.*

## Gifts from an IRA

If you have a traditional IRA and you are 70½ or older, you can transfer up to \$100,000 per year to qualified charities, for which the WHC Foundation qualifies. These charitable IRA transfers avoid taxes and count toward the minimum required annual distribution.



### How It Works

1. You contract your IRA custodian and request the transfer. The Foundation has simple letters to help you make the request if desired.
2. Your IRA custodian sends the gift directly to the Foundation. It is not routed through you.
3. The gift from your IRA is used as you have designated.

### Benefits to the Donor

1. The charitable IRA rollover makes it easier to use IRA assets, during your lifetime, to make charitable gifts.
2. Because the withdrawal does not come through you, it is not counted as taxable income; therefore, you avoid income taxes.
3. It can reduce taxes on minimum required distributions, especially if they put you in a higher tax bracket.
4. A couple that each has an IRA my direct up to \$200,000 in gifts per year in this manner.
5. This gift works well for those with so few deductions that they choose not to itemize.