

Life Expectancy An estimated calculation of the number of years a person will live from any particular age.

Memorial Gift A gift in memory of a deceased individual.

Pooled Income Fund A life-income gift which functions like a mutual fund, in that each income recipient receives lifetime quarterly payments based on her/his proportion of the Fund. Gifts are irrevocable, may name one or two persons as income recipients, and pay the remaining principal to the church or charity designated by the donor.

Residuary Clause A clause in a will that bequeaths or devises property not already disposed of earlier in the will.

Revocable Trust A life-income gift which pays a fixed percentage of the trust's value, as revalued annually, to one or more income beneficiaries for life; however, the donor may make withdrawals from principal or revoke the trust entirely. No tax deduction is available to the donor at the time the trust is established.

Secondary Beneficiary The person named in a gift agreement to receive the life income payments should the primary beneficiary predecease him or her.

Testamentary Trust A trust created by a provision in a person's will.

Testator The individual making a will.

Trustee The individual or institution that is responsible for administering a trust.

Trust Principal The assets of a trust.



*We pray and work together for the unity and renewal
of the church and the healing and reconciliation of the world*

Planned Giving Opportunities

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"Gifts" for the giver

People choose to make charitable gifts for a variety of reasons, primary of which is a desire to support work they believe in. Giving also provides benefits to you, the donor. A gift to Wisconsin Council of Churches may include some or all of the following:

- Fulfillment of charitable goals
- Charitable tax deduction
- Avoidance or reduction of capital-gain tax
- Income payments for life
- Tax-free income
- Reduction of federal estate tax

The Wisconsin Council of Churches is exceedingly grateful for the inspired generosity of its members and friends. Your support is vital to assure and enhance the mission and ministry of the Wisconsin Council of Churches now and into the future.

Charitable Remainder Beneficiary, Charitable Beneficiary The charity identified by the donor in a gift contract to receive the remaining principal after the life income beneficiaries' death or termination of contract.

Codicil An addition or amendment to a will.

Cost Basis The original cost of property plus improvements and other expenses paid by the owner during the period of ownership.

Deferred Gifts Another term for planned gift, i.e. a carefully considered way of giving out of one's accumulated assets that is prearranged through a will, a trust, or other life income agreement that may provide lifetime income for one or more individuals, where upon their deaths the remaining principal will go to the named charitable beneficiary.

Deferred Payment Gift Annuity Identical to a Gift Annuity except that instead of income payments beginning immediately, they begin at a future date specified by the donor. This usually has the effect of increasing the rate of return.

Endowment A fund whose principal is held in perpetuity, and income only is distributed.

Executor/Executrix The individual named in a will to settle the testator's estate.

Federal Estate Tax The tax imposed on the transfer of property upon death.

Federal Gift Tax The tax imposed on the transfer of property during the lifetime of the donor. This tax is paid by the donor.

Intestate Dying without a will.

Planned Giving Glossary

Annuitant The individual who receives lifetime payments from a gift annuity.

Annuity/Gift Annuity An irrevocable gift which pays income for life to one or two recipients (annuitants); the rate of return is based on the age(s) of the annuitant(s) at the time the gift is funded.

Appreciated Property Property, such as real estate or securities, that has a value greater than its cost basis.

Capital Gains, Realized Capital Gains The excess of money received from the sale of property over the original amount paid for the property (cost basis).

Charitable Income Tax Deduction The amount a donor can deduct on a federal income tax return (if the donor itemizes) for a charitable gift.

Charitable Lead Trust A gift which provides fixed or variable current income for church or charity for the life of the donor or for a term of years, after which the remaining principal reverts to the donor or donor's heirs.

Charitable Remainder Annuity Trust An irrevocable gift which pays a fixed dollar amount annually to one or more income beneficiaries for life or for a term of years, after which the principal becomes a gift to the church or charity designated by the donor.

Charitable Remainder Unitrust An irrevocable gift which pays a fixed percentage of the Trust's value, as revalued annually, to one or more income beneficiaries for life or for a term of years, after which the principal becomes a gift to the church or charity designated by the donor.

Types of Planned Gifts

Wills and bequests

A properly executed Will or Living Trust is the only way to assure that your estate is distributed according to your wishes, and is the most common way that deferred gifts to Wisconsin Council of Churches (WCC) are made. You can designate a percentage or a dollar amount, or direct that Wisconsin Council of Churches receive the residual amount of your estate. A Will or Living Trust can also be used to set up life-income gifts that benefit heirs during their lifetimes, with the remaining principal constituting a gift to Wisconsin Council of Churches.

Life-income gifts

Life-income gifts are those which pay you income for life, with the remaining principal paid to Wisconsin Council of Churches. You receive a tax deduction for the charitable portion of the gift in the year the gift is made. Life-income gifts may significantly increase your spendable income. Such gifts may be established in a will for the benefit of heirs and ultimate benefit of Wisconsin Council of Churches.

Charitable Gift Annuities

A Gift Annuity's rate of return is based solely on your age at the time of the gift. Annuities may be funded with cash or appreciated securities, and provide fixed income payments for life to you and/or another person, successively. A significant portion of the income may be tax-free. You may defer income payments to a later date, such as retirement age, which may produce a substantial increase in the rate of return.

Charitable Remainder Trusts

Trusts may be funded with cash, securities or real estate and income payments may be fixed or flexible. The most common type, the Unitrust, is valued annually and the donor is paid a fixed percentage of the value over the following year.

Pooled Income Fund

The Pooled Income Fund is like a mutual fund; it accepts gifts from many donors, manages them, and distributes each gift's portion of the earnings to the designated one or two life-income beneficiaries, successively.

Life insurance

Wisconsin Council of Churches can be named as the beneficiary of your life insurance, or the policy itself can be donated to Wisconsin Council of Churches. If the policy is paid up, your tax deduction will generally be the replacement cost of the policy at the time it is donated.

Retirement assets

Retirement assets may be expensive for heirs to inherit. Naming Wisconsin Council of Churches (WCC) as the beneficiary of your retirement fund may provide a significant tax savings to your estate.

Charitable lead trust

This gift provides current income to Wisconsin Council of Churches during your lifetime or for a specified term of years, after which the remaining principal is returned to you or your heirs. Payments to Wisconsin Council of Churches) may be fixed or variable, depending on the terms of the Trust..

Methods of funding

Cash (all Outright and Planned Gifts)

Cash gifts provide an immediate and direct benefit to Wisconsin Council of Churches and are usually fully tax deductible by the donor, subject to IRS limits of 50% of Adjusted Gross Income.

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Securities (all Outright and Planned Gifts)

Appreciated securities (those which have increased in value since they were purchased) are transferred to Wisconsin Council of Churches to avoid capital gain tax on the appreciation. Depreciated securities are sold by the donor so the loss may be deducted from on his/her tax return, and the cash proceeds are donated. Gifts of securities are generally tax deductible at fair market value if owned for longer than a year, in amounts up to 30% of Adjusted Gross Income.

Real Estate (some Outright and Planned Gifts)

Donation of real estate that has appreciated in value provides a charitable tax deduction for the appraised value of the property, and avoidance of capital-gains tax. As with appreciated securities, appreciated real estate must be transferred to Wisconsin Council of Churches, not sold by the donor.

How does it work

First of all, please do your gift planning within the context of family and professional advisors; discuss your charitable goals with your family; consult your attorney, financial planner, and/or accountant.

Wisconsin Council of Churches will work with your advisors and any denominational planned giving office to provide the following:

- Detailed information on each gift type
- Bequest language
- Instructions for stock transfer
- Life-Income Gift illustrations
- Gift Annuity Agreements
- Documentation for income tax filing

Wisconsin Council of Churches does not offer legal, tax, or financial/estate planning services.