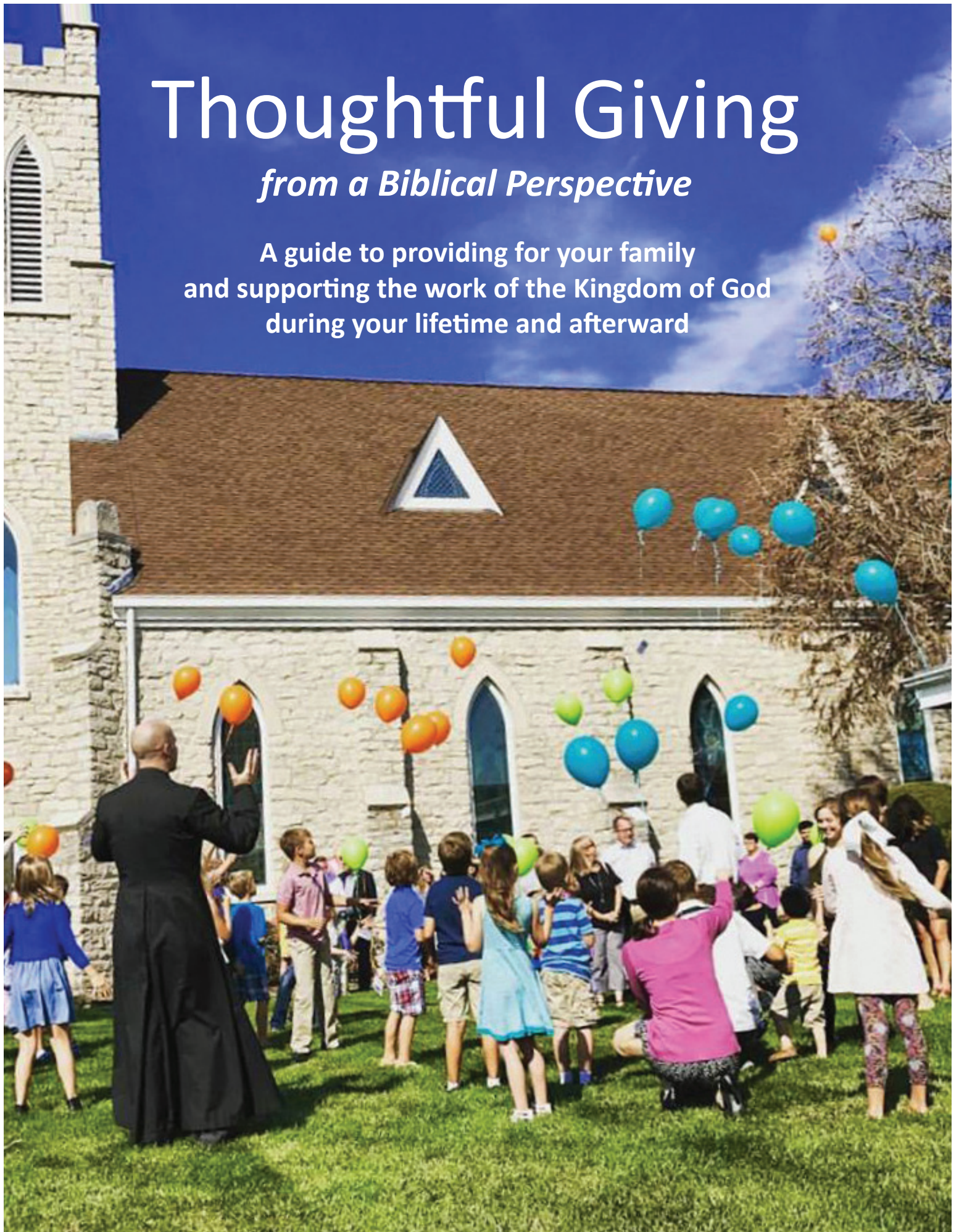


Thoughtful Giving

from a Biblical Perspective

A guide to providing for your family
and supporting the work of the Kingdom of God
during your lifetime and afterward



“Each one must do just as he has purposed in his heart, not grudgingly or under compulsion, for God loves a cheerful giver.” (2 Corinthians 9:7-8)



THOUGHTFUL GIVING

“Joseph, who was also called by the apostles Barnabas (which means son of encouragement), a Levite, a native of Cyprus, sold a field that belonged to him and brought the money and laid it at the apostles’ feet.” (Acts 4:36-37)

The Diocese of Quincy has prepared this booklet to provide general information about the various ways you can accomplish your charitable goals during your lifetime and also in the future through estate planning. We hope that it will encourage you to live generously and provide for the work of God’s Kingdom through your parish and the Diocese of Quincy.

“There is one who scatters, and yet increases all the more, And there is one who withholds what is justly due, and yet it results only in want.” (Proverbs 11:24)

Generosity is central to our Christian faith. “We love because He first loved us” (John 4:19) and we give because He gave His only Son for our salvation.

Few decisions are more important than deciding how to use the resources God has given us today (stewardship) and how those resources will be distributed in the future (estate planning).





ENDOWING THE PRESENT AND THE FUTURE IS EASIER THAN YOU THINK

With planning, you can have peace of mind knowing you have taken care of your family, and also provided for the people and ministry that you love. You can sustain the mission and work of your church and the Diocese of Quincy with decisions you make now.

As you read through the following pages, please prayerfully consider how you can help. Taking the time now to put your affairs in order and make provision for the church will give you that peace.

This booklet is not designed to give legal advice. You should contact a financial advisor, tax advisor and/or estate planning attorney to discuss your specific situation. Everyone is different — married, single, children, grandchildren, property, businesses, etc. It is important to have a professional discuss your specific situation with you. For those who have a substantial estate, you should contact your current tax attorney to discuss any changes you may wish to make to your existing plans.

“Now He who supplies seed to the sower and bread for food will supply and multiply your seed for sowing and increase the harvest of your righteousness.” (2 Corinthians 9:10)

“If anyone has material possessions and sees a brother or sister in need but has no pity on them, how can the love of God be in that person? Dear children, let us not love with words or speech but with actions and in truth.” (1 John 3:17-18)

HOW YOU CAN MAKE A DIFFERENCE NOW

Ways to enhance your cash donation

- Check with your employer to see if they offer a matching gift. Some companies will also reward employee volunteer hours with a cash donation.
- Make traditional gift-giving occasions particularly meaningful. Whether it is Mother’s/Father’s Day, a birthday, wedding, anniversary or other occasion, consider asking those who are celebrating with you to give a donation in lieu of gifts.
- You may also wish to honor the memory of a loved one by making a gift in their name.

Donation of appreciated stock or property

- If you make a gift of stock, you may be able to save on your taxes — just as if you donated cash. Simply contact the diocese for the account information and have your broker make the transfer.
- Before you sell residential real estate and donate the net proceeds to charity, consider donating that property directly to your parish or the diocese for two major benefits:
 1. a potential income tax deduction for the fair market value and a potential tax savings on the appreciation of the house.
 2. a greater gift to your parish or diocese since they don’t pay capital gains taxes. You can give property either outright or by retaining life-tenancy rights, depending on your circumstances. In other words, you could donate your home *now* and still continue to live in it.

The donation of property is a bit more complicated than stock. You should consult a lawyer if you have property you wish to donate.



*“Whoever is generous to the poor lends to the LORD, and he will repay him for his deed.”
(Proverbs 19:17)*

Direct transfer from an IRA

The current tax law allows people older than 70½ to transfer up to \$100,000 per year from their traditional IRAs to charity, which can count as their **required minimum distribution** but is *not taxable* if you follow the rules for a qualified charitable distribution. (This doesn't apply to a Roth IRA, which has tax-free withdrawals and no required distributions.) The gift stays out of your adjusted gross income only if you make a *direct transfer from your IRA to the charity*. It doesn't count as a tax-free transfer if you withdraw the money first and then make a donation to the charity. Ask your IRA administrator what steps you need to take, because the procedures can vary from firm to firm.

Beneficiary designations

Making sure your beneficiary designations are complete and current is an easy step you can take toward making gifts upon your death. You can leave the entire amount of your death benefit or designate a portion of the proceeds (dollar amount or a percentage) to go to your home parish and/or the Diocese of Quincy.

Last Will and Testament

A bequest in your Will is an easy way for you to leave a legacy and further Kingdom work.

Checking and savings accounts

A simple “Transfer on Death” form can be attached to these cash accounts, which will distribute them as you wish when you die. Just ask your banker.



“Macedonia and Achaia have been pleased to make some contribution for the poor among the saints at Jerusalem.” (Romans 15:26)

IRAs, 401ks and other retirement plans should have direct beneficiaries that you named when you established the account.

- Upon your death, the proceeds will normally pass directly to your named beneficiaries, usually avoiding the probate process.
- Your beneficiaries can be changed at any time.
- It is a good idea to name both primary and contingent beneficiaries. You may designate multiple beneficiaries and divide the proceeds between them in any way you wish.
- For many people, retirement plans can become one of their largest assets, so it is a good idea to review your beneficiary designations every year or two.

Life insurance

- Like the retirement plans above, the life insurance proceeds will normally pass directly to your named beneficiaries upon your death, usually avoiding the probate process.
- Your beneficiaries can be changed at any time.
- It is a good idea to name both primary and contingent beneficiaries. You may designate multiple beneficiaries and divide the proceeds between them in any way you wish.
- Again, life insurance proceeds can be a significant dollar amount, so it is a good idea to review your beneficiary designations every year or two.



“Give, and it will be given to you. Good measure, pressed down, shaken together, running over, will be put into your lap. For with the measure you use, it will be measured back to you.” (Luke 6:38)

TAX IMPLICATIONS AND PROBATE

Tax considerations: Federal estate taxes are levied on assets in excess of \$11.4 million (\$22.8 million for husband and wife). Therefore, your estate could owe federal estate tax on any portion that exceeds this 2019 exemption level. These levels may change from year to year. States can also impose taxes on your estate with different exemption levels and requirements, so you should be aware of your state’s laws and regulations.

Probate: Probate is the legal process through which a deceased person’s estate is properly distributed to heirs and designated beneficiaries and any debt owed to creditors is paid off. Opening a probate estate can be expensive, it makes all your affairs public, and the whole process can be quite time consuming even if there are no disputes...worse if there are.

Having a will may not help you avoid probate. Therefore, you may wish to consider the various trust options in this booklet.

The most straightforward way to avoid probate is simply to create a **living trust**. With a trust, you pass your assets smoothly to whomever you designate without the need for your heirs to open a probate estate and have an administrator named by the probate court.

In addition to a living trust, there are several options we will discuss in the following pages. There is no “one size fits all.” If you are interested in pursuing any of these options or learning more, you should speak with an estate advisor or tax attorney.





YOUR LEGACY FOR THE KINGDOM OF GOD

*Every financial decision you make is a spiritual decision. God cares about what you do with your wealth both during your lifetime and after you die. With planning, you can create a lasting legacy and sustain your church and/or the Diocese of Quincy for years to come. **If you have tithed during your lifetime, consider a tithe of your estate as well.***

There are numerous trust and annuity options to choose from. The following is a brief summary of just a few possible options.

LIVING TRUSTS

A living trust, as mentioned, is a revocable trust into which your assets are placed for your benefit during your lifetime and then transferred to designated beneficiaries at your death. One of the benefits of a living trust is that it avoids probate and is typically a private document. Your trustee will pay your debts and distribute your assets according to your instructions.

CHARITABLE REMAINDER TRUSTS

A charitable remainder trust is an irrevocable trust that generates a potential income for you as the donor to the trust with the remainder of the donated assets going to your parish or diocese. It lets you convert highly appreciated assets, like stock or real estate, into lifetime income. It reduces your income taxes now and estate taxes when you die. *Here is how it works:*

- You transfer an appreciated asset into the trust.
- You receive an immediate charitable income tax deduction.
- The trustee sells the asset at full value, tax-free, and reinvests in income-producing assets.
- You receive income for the rest of your life.
- When you die, the remaining trust assets go to your parish and/or the Diocese of Quincy.

*“The disciples determined, every one according to his ability, to send relief to the brothers living in Judea. And they did so, sending it to the elders by the hand of Barnabas and Saul.”
(Acts 11:29-30)*



If your desire is also to provide for your heirs, there is a variation of this option that will provide for them as well as the church. You can take a portion of the income you receive from this trust and use it to purchase a life insurance trust with your heirs as the beneficiary. *This way both the church and your heirs receive the benefit* when you die. Please consult an estate advisor or lawyer if you are interested in learning more.

CHARITABLE GIFT ANNUITY

A charitable gift annuity involves a contract between you and the diocese, whereby you transfer cash or property directly to the diocese (not a trust) and the diocese sets up an annuity that provides you with a lifetime stream of income as well as an immediate charitable tax deduction in the year of the gift.

“GIVE IT TWICE” TRUST

There is a popular option called a “give it twice trust” that pays income first to your family for a number of years, usually 20, and then distributes the balance of the trust to the church. In effect, the asset has been used twice.

Here is how it works:

- You complete an IRA or other investment account or insurance policy beneficiary designation form, naming the Diocese of Quincy as the beneficiary.
- We establish a Charitable Remainder Unitrust that will later be funded by that account.
- When you die, the assets are transferred to the trust, which then will pay income to your surviving spouse and/or your children for a specified period of time (e.g., 5% per year for 20 years).
- Once all trust payments have been made, the money is “given twice” by then being distributed to your church or the Diocese of Quincy.

This option allows you to give to your children *over time*, which can be helpful if your estate is large and your children are young. An inheritance will be used more wisely if it is distributed over a longer time and at a later age. One lump-sum distribution could lead to a lack of incentive to finish school, to work or to make sound financial and charitable decisions.

“Whoever sows sparingly will also reap sparingly, and whoever sows generously will also reap generously.” (2 Corinthians 9:6)



DOCUMENTS EVERYONE SHOULD HAVE

1. Last Will and Testament

Why should I have a will?

The most common reason to make a will is to indicate who will get your property when you die. Wills can distribute your property, name an executor, name guardians for children, forgive debts and more. Without a will (or other plan, like a living trust), the court will follow state law to distribute your assets and appoint guardians for minor children. The court's decisions may not be in line with your wishes.

NOTE: With web sites, email, social media, online accounts and smart phones, we are surrounded by media. When you pass away, you may have numerous online accounts with passwords. Therefore, you should create a list of accounts and passwords, store them in a secure place, update them regularly and be sure your executor can access them.

2. Durable Power of Attorney for Finances

The durable financial power of attorney is simply a way to allow someone else to manage your finances in the event that you become incapacitated and are unable to make those decisions yourself. The power is granted in a document, and is not only useful for you, but can really help your family in times of crisis. If you do not have a durable power of attorney for finances, the court may decide to appoint a conservator to manage your affairs.

3. Advance Directives

Advance directives are legal documents that allow you to spell out your decisions about end-of-life care ahead of time. They give you a way to tell your wishes to family, friends, and health care professionals and to avoid confusion later on.

“And do not forget to do good and to share with others, for with such sacrifices God is pleased.” (Hebrews 13:16)



There are many advance directive formats. Some follow forms outlined in state laws, others are created by lawyers or even the patients themselves. State laws and courts decide whether these documents are valid. All states and the District of Columbia have laws about advance directives. Be sure to know specific requirements of writing legal advance directives in your state.

Before you create an advance directive, you will want to talk with your health care provider, your loved ones, and at least one person that you may want to choose as your proxy or agent (substitute decision-maker). Tell them about your situation, wishes and fears, because they are the ones who will help put your wishes into effect if you are unable to do so. Below are some of the standard directives.

- Health care power of attorney
The health care power of attorney is a document in which you designate someone to be your representative, or agent, in the event you are unable to make or communicate decisions about all aspects of your health care.
- Living will
A living will is a document that lets people state their wishes for end-of-life medical care, in case they become unable to communicate their decisions.
- Do-Not-Resuscitate (DNR)/Practitioner Orders For Life-Sustaining Treatment (POLST).
The do-not-resuscitate (DNR) order placed in a patient's medical record by a physician informs the medical staff that CPR should not be done in the event of cardiac arrest. The POLST is a voluntary form with medical orders indicating a patient's wishes regarding treatments commonly used in a medical crisis. It is similar to the DNR order. It is for seriously ill or frail patients.
- Organ donation
Organ and tissue donation can be included in your advance directive. Many states also provide organ donor cards or add notations to your driver's license.

“Good will come to those who are generous and lend freely, who conduct their affairs with justice.” (Psalm 112:5)



Now may the God of peace Who brought again from the dead our Lord Jesus, that great Shepherd of the sheep, by the blood of the eternal covenant, equip you in every good thing to do His will, working in us that which is pleasing in His sight, through Jesus Christ, to Whom be glory forever and ever. Amen.

IF YOU NEED HELP

If the options in this booklet have seemed overwhelming or confusing, please contact the Diocese of Quincy and we will put you in touch with an advisor to guide you through the process.

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This booklet was compiled by the Generosity Team of the Diocese of Quincy – “stirring up one another to love and good works” (Hebrews 10:24)