

Giving a Planned Gift

Gifts to benefit Abraham House now:

Charitable lead trusts allow you to leave property to heirs, reduce gift and estate tax costs, and provide income to Abraham house today. You contribute assets to a trust and set an amount or a fixed percentage to be paid to Abraham house for a designated period of time, or for the life of designated individuals. At the end of this period, the trust is terminated and the property is either returned to you or distributed to named beneficiaries, thereby removing these assets from your estate.

Gifts of tangible personal property that are useful to Abraham house in pursuit of its non-profit mission, including real estate, can offer an immediate tax deduction and, if qualified as a long-term capital asset (held for a year and a day), offer avoidance of capital gains tax, removal of the asset from your estate, and, if appropriate, elimination of maintenance costs of the property. Valuation for income tax purposes may require that you obtain an independent appraisal. The deduction is limited to 30% of adjusted gross income. Excess beyond 30% can be carried forward as a deduction for up to five additional years.

Gifts of life insurance policies. Contributing a paid-up life insurance policy you no longer need to Abraham house will give you an immediate tax deduction and reduce your estate and inheritance taxes by distributing part of your net worth during your lifetime.

Gifts to benefit Abraham House in the future:

Bequests/giving through your will. You may make a bequest to Abraham house by preparing a new will or adding a codicil amending an existing one. A charitable bequest is deductible in calculating your taxable estate. There is no limit to the amount of that deduction. The following language is appropriate for making an unrestricted bequest: "I give (the sum of _____ dollars or _____ percent of the residuary of my estate), to Abraham House for its general corporate purposes."

Charitable remainder trusts enable you to make an irrevocable contribution to the future of Abraham house while you receive lifetime annual payments and significant tax benefits. When the trust terminates, the remainder goes to Abraham house. For an annuity trust, the amount of the annual payment is set when the trust is created, either as a fixed percentage or a set dollar amount of the then fair market value of the trust assets. For a unitrust, the amount is a fixed percentage of the fair market value of the trust assets as determined annually.

Retirement Plans. Naming Abraham house as beneficiary of your retirement plan avoids income tax on the distribution from the plan.

Securities

You may find it more beneficial to give securities that have appreciated in value. If you sell appreciated securities, you may incur a taxable gain.

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Gifts of future life insurance proceeds. Naming the Abraham House as beneficiary of a life insurance policy avoids income tax on the distribution from the life insurance policy.

Gifts of real estate, reserving the right of occupancy as long as donor and spouse live.

A gift of a remainder interest in a personal residence or vacation home can entitle you to an income tax deduction of the asset's fair market value, an avoidance of capital gains tax, and the removal of the asset from your estate. To qualify, you must make the gift now rather than in your will. Through a "reserved life estate contract," you can reserve the right to occupy the property during your lifetime, while making an immediate and irrevocable transfer of title to the Abraham House. Any real estate transaction is complex and should



Abraham House provides our guests with a secure loving home without charge while providing physical,

This outline is prepared as a guide to planning and should in no way be interpreted as advice for your specific situation. Tax laws can and do change from year to year, and thus, we encourage you to consult your own legal, accounting, estate, and other professional advisors as you consider options for giving to the Abraham House.

Donors who make a planned gift to Abraham House will be recognized in the newsletter as having made a commitment to the long-term success of Abraham House.

For more information, please contact:

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Consider
giving a
planned gift
to Abraham
House



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