

WAYS OF GIVING

The information shown here is not exhaustive and is meant to stimulate further inquiry. The Children's Home of Pittsburgh will be pleased to work with prospective donors in determining how they may wish to make a gift, but it is expected that donors will consult with their own financial advisors before finalizing a gift.

CURRENT GIFTS:

Cash Gifts

- Tax deductible if donor itemizes deductions.
- Up to 50 percent of your adjusted gross income can be deducted in any one year.
- Excess can be deducted over the next five years.
- Actual savings from the deduction depend on tax rate.
- The higher the tax rates, the greater the savings.

Pledges

- Payable over a three to five year period.
- Deductible in the year a payment is paid.

Matching Gifts

- Takes advantage of programs offered by many employers.
- Leverages donor's gift to a higher level.

Stocks & Securities

- If qualified as a long-term capital asset (12 months and a day), property should be given outright.
- Avoids payment of capital gains tax on the increase in value of the stock.
- Receive deduction for full fair market value of the stock at the time of the gift, limited to 30% of adjusted gross income.
- Excess beyond 30% can be carried forward for five years.

Property that has Lost Value

- Sell the property (stocks, securities, real estate), take the loss for tax purposes, and then contribute the cash.
- Receive a deduction for both the loss and the charitable gift.

Real Estate

- By making an outright gift of the residence, farm or vacation home, avoid capital gains tax and receive a charitable deduction for the full fair market value of the property.

DEFERRED GIFTS:

Charitable Gift Annuity

- Provides a guaranteed fixed income for the lifetime(s) of one or two annuitants.
- Amount paid determined by rates recommended by the American Council on Gift Annuities.
- The older the annuitant, the higher the level of income.
- A portion of the gift, as well as its income, is tax deductible.
- Tax deduction in the year of the gift.

Deferred Gift Annuity

- Offers increased income and tax benefits.
- All basic features and benefits of a gift annuity.
- Income delayed until a future date chosen by donor (e.g., retirement time).
- Rate of return and the tax deduction dependent on length of the time income is delayed.

Life Income Trusts

- Trust assets are funds or property contributed by donor (usually \$100,000 or more).
- Flexibility in type of property that can be donated.
- Real estate and municipal bonds may be used.
- Provides a fixed amount of income (Charitable Remainder Annuity Trust) for life.
- Provides a variable level of income (Charitable Remainder Unitrust) for life.
- Generates a tax deduction.
- Tax savings may be used to purchase a life insurance policy (Wealth Replacement Trust) with heirs as beneficiaries.

Charitable Lead Trust

- Donor lends assets for charitable use for a limited period of time.
- Funds are transferred to a trust that pays a fixed income to The Children's Home.
- Assets returned to donor or other beneficiary at end of designated period.
- Can reduce estate and gift taxes which might normally be due on assets left to children and grandchildren.

Life Insurance

- Make The Children's Home of Pittsburgh sole owner and beneficiary of paid-up policy.
- Receive income tax deduction for the cash surrender value of policy.
- Purchase new policy naming The Children's Home sole owner and beneficiary.
- Receive tax deduction for annual premium amounts.

Bequests

- Outright bequests, as well as certain bequests in trust, are not subject to estate taxes.
- Actual cost is less than face value of bequest gift because of tax benefits to estate.
- Bequest can take any of the following forms:
 - Bequest of a dollar amount of particular securities or other property.
 - Residual bequest of all or portion of estate after payment of specific amounts to other beneficiaries.
 - Contingent bequest to take effect if other beneficiaries die before the donor.
- A bequest can be added to an existing will by the use of a simple codicil.

Life Estate Arrangements

- Deed home, farm, real estate to The Children's Home.
- Donor maintains property, pays taxes, receives any income the property generates as long as donor lives there.
- Take immediate tax deduction.
- May reduce estate tax liability.
- Property does not pass through probate but directly to The Children's Home.

Retirement Accounts

- Retirement funds are highly taxed and heirs will realize a much reduced gift.
- A charity can receive full value of a retirement account.
- Assign retirement account to The Children's Home of Pittsburgh or name The Children's Home as contingency beneficiary.
- Leave other property to heirs for better tax planning.