

Ways of Giving

There are a number of ways to support the Carmelites at Our Lady of Confidence Carmelite Monastery. The information below is not exhaustive, but is meant to stimulate further inquiry. We would be pleased to work with you to determine the best way for you to make your investment. The information in this brochure is not intended as legal advice. We also advise you to consult your attorney or financial planner before finalizing any gift.

Current Gifts

- Tax deductible, if donor itemizes deductions
- Up to 100% of adjusted gross income can be deducted for 2021 only.
- Actual savings depend on tax rate
- The higher the tax rate, the greater the savings

Pledges

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

Matching Gifts

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

Appreciated Property

- If qualified as a long-term capital asset (a year and a day), property should be given outright
- Avoids payment of capital gains tax due if property were sold
- Deduction given for full value of property, limited to 30% of adjusted gross income
- Excess beyond 30% can be carried forward for five years

Property that has lost value

- Donor sells the property, takes loss for tax purposes, and contributes the cash received from the sale
- Deduction given from both the loss and the charitable gift

Real Estate

- Possible for donor to make gift of residence, farm, or vacation home, reserving right of occupancy as long as donor and spouse live
- Irrevocable gift qualifies for immediate tax deduction based on present value of remainder interest
- Assign directly to your organization or, preferably, transfer through broker
- Amount of contribution is fair-market value on the date of transfer

Closely-held Stock

- Produces a current tax deduction equal to fair-market value of the stock
- Corporation may redeem shares of the stock from your organization
- Could reduce liability for accumulated earnings tax

Deferred Gifts

Charitable Gift Annuity

- Provides a fixed income for the lifetime(s) of one or two annuitants
- Amount paid determined by the rates recommended by the American Council on Gift Annuities
- The older the annuitant, the higher the level of income
- Portion of gift and income are tax-deductible

Deferred Gift Annuity

- Offers increased income and tax benefits
- All basic features & benefits of a gift annuity
- Income delayed until a future date chosen by donor
- Rate of return and tax deduction dependent on length of income delay

Pooled Income Fund

- Operates much like a mutual fund
- Contributions pooled and managed by investment advisors
- Income paid to donor and second person, if desired, until beneficiaries are deceased
- Income fluctuates based on earnings of fund
- Immediate tax deduction for portion of gift
- Avoids capital gains tax, if appreciated securities are given
- Gifts to Pooled Income Fund are irrevocable

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)
- Provides a variable level of income (Charitable Remainder Unitrust)

Charitable Lead Trust

- Donor provides assets for use for a limited period of time
- Funds are invested to provide income to your organization
- Assets returned to donor or to estate at end of designated period
- Can fulfill a pledge while reducing estate and gift taxes that might otherwise be due on assets given outright to heirs

Wealth Replacement Trust

- Protects inheritance interests of heirs
- Contributes assets to your organization either outright or through planned giving vehicles
- Using resulting tax savings, donor purchases a life insurance policy with heirs as beneficiaries

Life Insurance

- Make your organization sole owner and beneficiary of paid-up policy
- Receive income tax deduction for the cash surrender value of policy
- If policy not fully paid, continue to pay premiums
- 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 gift because of tax benefits to estate
- Bequest can take any of 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 often be arranged simply with the addition of a codicil amending an existing will