



DOING  
THE MOST  
GOOD™

# BENEFITS of STOCKS *and* IRAs *for* CHARITABLE GIVING



THE  
SALVATION  
ARMY  
PLANNED  
GIVING  
DEPARTMENT

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## THE BENEFITS OF CHARITABLE GIVING WITH STOCK

If you're like most people, the value of your stock and other investments has grown over the years. Perhaps you are entering your retirement years and wondering how you can turn your highly appreciated assets into extra income. You may also be concerned about the mounting capital gains taxes that will be due.

What is considered capital gain? Simply defined, capital gain is the difference between the selling price and the purchase price (basis) of an asset (stock, real estate, etc.). If you have owned the asset for more than one year and the value has increased, you will have capital gains when you sell.  $\text{Selling price} - \text{basis} = \text{capital gain}$ .

When selling appreciated stock, you will pay capital gains tax and that means less cash for you. However, rather than selling your appreciated stock, you can use stocks as part of your charitable giving. A variety of charitable plans can help you achieve your goals for tax savings and even provide you with income.



## GIFT ANNUITY FOR STOCK

You may transfer your stock to fund a charitable gift annuity that will partially bypass capital gains tax and pay you fixed income for life. The rates can be quite high depending on your age and a part of your income stream may even be tax free! You will receive an income tax deduction for your gift in the year you set up the annuity. And you will have the satisfaction of knowing that at the end of your life the remaining value will go toward helping others.

## WHAT TO DO WITH UNSPENT RETIREMENT SAVINGS

We all want security for the future, which is why we plan for retirement. Most of us hold retirement savings in assets such as IRAs, 401(k)s, 403(b)s and pensions. If you are like many people, you've held these assets for a long time and have seen them grow. Because of the way these funds are distributed, you likely will not use all of your retirement money during your lifetime. So, the question for many individuals is, "What will I do with my unspent retirement savings?" You will most likely designate family members as beneficiaries of your retirement accounts. Unfortunately with this plan, a large portion of this gift will be lost to taxes. Let us help you provide for your family and favorite charitable causes with some tax-efficient options for your unspent retirement savings.

## **RETIREMENT ASSETS FOR LIFE INCOME FOR A LOVED ONE**

You can plan ahead and designate a gift to The Salvation Army to be awarded upon your death, and care for your loved ones by creating a testamentary charitable remainder unitrust funded with your retirement assets. You can actually put this plan into motion now by creating the trust and naming the trustee the beneficiary of your retirement funds. Upon your death, the trust will be funded and begin paying income to your loved ones. Your estate will benefit from an estate tax charitable deduction. This can give you the peace of mind today, of knowing that your family and charity will be will cared for.

## **BEQUEST OF RETIREMENT ASSETS**

Perhaps the easiest way to make a gift of your retirement assets through your estate is with a bequest. It's easy to designate the Army as a beneficiary. Contact your custodian to complete your beneficiary designation. The benefit is twofold. If you have a taxable estate, your estate will receive a charitable deduction to help offset estate taxes and you will be happy knowing your gift will enable us to continue to serve people in need in the future.

## **IRA CHARITABLE ROLLOVER**

You may be looking for a way to make a big difference to the mission of The Salvation Army and our service to others. If you are 70 ½ or older, you may also be interested in a way to lower the income and taxes from your IRA withdrawals. An IRA charitable rollover is a way you can help support The Salvation Army and benefit this year.

- ✦ Avoid taxes on transfers of up to \$100,000 from your IRA to The Salvation Army.
- ✦ Satisfy your required minimum distribution (RMD) for the year.
- ✦ Reduce your taxable income, even if you do not itemize deductions.
- ✦ Make a gift that is not subject to the 50% deduction limits on charitable gifts.
- ✦ Help further the work and mission of The Salvation Army.

## **HOW EASY IS IT TO MAKE AN IRA CHARITABLE ROLLOVER GIFT?**

Contact your IRA plan administrator to make a gift from your IRA to The Salvation Army. Your gift from IRA funds will be directly transferred to our organization to help continue our important work. Making a gift from your IRA can be all or part of a RMD, so the benefit is two fold: You bypass tax, and you fulfill the RMD.

Please note that IRA charitable rollover gifts do not qualify for a charitable deduction.

*To order a free, no-obligation copy of  
the charitable IRA rollover brochure,  
please [click here](#) or call 773.205.3515.*



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