

so that your spouse can continue to use it for your lifetimes — while you receive a current income tax deduction.

Gifts of Life Insurance

A gift of life insurance can provide a significant charitable deduction. You could purchase a new policy or donate a policy that you currently own but no longer need. To receive a deduction, designate MOWSC as both the owner and beneficiary of the insurance policy.

Bequests

MOWSC can be named as a beneficiary in your will in an outright gift, either as a designated dollar amount a percentage of your estate. We could also be named as a remainder beneficiary to receive funds only after specific sums have been paid to individual beneficiaries. It may be helpful to know that you can easily add MOWSC to your will through an amendment called a codicil; thus your entire will does not have to be re-drafted.

In Conclusion

A brochure cannot tell you everything you need to know about planned giving and which method would be the most advantageous for your particular financial and estate planning situation. Check with your attorney, accountant or financial planner for additional information on how these general guidelines apply to your situation. There are other methods of giving that

couldn't be included in this brochure. Not all the tax ramifications of those giving methods listed could be discussed. We appreciate your interest and would love to tell you more about MOWSC and the work that we do. Careful estate planning today will help you secure the future — for yourself, your family, heirs, and for places in which you believe. If you would like to learn more, please call us or write.

Meals on Wheels of Salem County, Inc.
118 Walnut Street
Salem, NJ 08079
Phone: 856-935-3663
Fax: 856-935-7808
www.MealsOnWheelsNJ.com
www.GiantPumpkinCarve.com

Funded By: Social Service Block Grant; Title III; State Home Delivered Meal Funds; Casino Revenue Funds; United Way of Salem County; Peer Grouping, Salem County Board of Chosen Freeholders; Fundraising; Public Donations; Private Donations; Trusts; Grants; Client Donations; Interest; Meals on Wheels Association of America and Memorials.



**MEALS ON WHEELS OF
SALEM COUNTY, INC .**

**Planned
Giving**

**MAKING A DIFFERENCE
ONE MEAL AT A TIME...**

Planned Giving Opportunities

Planned giving can be easy. This brochure offers some ways to both give and save.

Gifts of Cash

If you itemize, you can lower your income taxes simply by writing us a check. Gifts of cash are fully deductible — up to a maximum of 50% of your adjusted gross income. Any excess can generally be carried forward and deducted over as many as five subsequent years. Some employers will match your charitable gifts, making your gifts worth even more. If your company or firm has a matching gift program, simply enclose the form along with your check and we'll do the paperwork.

Gifts of Stock

If you own stock, it is often tax-smart to contribute stock rather than cash. A gift of appreciated stock generally offers a two-fold tax savings. First, you avoid paying capital gains tax on the increase in value of the stock; second you receive an income tax deduction for the full fair market value of the stock at the time of the gift. Make sure you have owned the stock for a “long term” period of time (this usually means that you have held the stock for at least a year) to qualify for these significant tax advantages. Gifts of appreciated stock are fully deductible — up to a maximum of

30% of your adjusted gross income. For example if your adjusted gross income for this year is \$100,000 up to \$30,000 of long term appreciated stock and other property gifts may generally be deducted this way. Any excess can be generally carried forward and deducted over as many as five subsequent years.

Charitable Lead Trusts

Under this arrangement, you transfer assets to a trustee who makes payments to Meals on Wheels of Salem County, Inc. for a specified period of years, after which time the assets are transferred to your heirs. The charitable lead trust allows you to pass assets on to your children and grandchildren either completely free or substantially free of all estate and gift taxes! It can make good sense for anyone in the 50% estate and gift tax bracket.

Life Income Gifts

(How to increase your income, receive a charitable contribution deduction and avoid capital gains taxes) If you own stock which is paying you low dividends, maybe 2% or 3%, a life income gift may be an appropriate gift. You could transfer the stock to MOWSC and establish a “charitable remainder trust” that would provide you with a 5% or greater annual return. The income would be paid to you and/or a loved one for life, after which the assets would be distributed to MOWSC. Throughout

such an arrangement you would be increasing your income and making a meaningful and tax deductible contribution to MOWSC at the same time. **EXAMPLE** Mrs. Jones, age 70, purchased some stock many years ago for \$10,000 and now the stock is worth \$100,000. But, she receives only \$2,000 per year in dividends, or a 2% yield. BY transferring the stock to a charitable remainder trust and specifying that she wanted a 6% return for life, she could 1.) Triple her current income from \$2,000 to \$6,000 2.) Avoid the capital gains taxes she would otherwise incur on a stock sale and 3.) Be entitled to a charitable contribution deduction of approximately \$55,000 (The amount of the deduction depends upon the age of the donor, the rate of return specified in the trust, the size of the gift and other factors.

Gifts of Real Estate

A gift of real estate can also be tax-smart. A residence, vacation home, farm, acreage or vacant lot may have appreciated in value through the years that its sale would mean a sizeable capital gains tax. By making a gift of this property instead, you would avoid the capital gains tax, and at the same time receive a charitable deduction for the full market value of the property. It is also possible to make a gift of your home, farm or vacation home