



PATHWAYS

A Guide to Estate & Gift Planning



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Dear Friend,

Do you remember the feeling you had on the first day of a new school year?

For most of us, sentiments ranged from “I can’t believe summer is over” to “I can’t wait to see my friends again.”

As in most other parts of the country, the children of St. Bonaventure Indian Mission and School are back at their desks. On the first day of school, I love to see the looks of our kindergarten boys and girls: fresh faced and eager, with the innocence of a child ready to start a new adventure. It can’t help but touch your heart.

In keeping with the spirit of the school year getting under way, I thought it would be appropriate to offer you the opportunity within this issue of **Pathways** to take a quiz—not on reading, writing or arithmetic—but rather on your personal estate planning. Be sure to see the article inside, along with three others that offer very practical tips and creative ideas to help you with your future planning needs.

On a final note, I’m sure you will be excited to learn that we have three religious sisters who have recently joined us to help minister to our children and families. Franciscan Sisters Erlinda, Ann Marie and Josephine are just as eager as our school children to get started with their work in the classroom. At a time when nuns are in such high demand, we are honored to have these wonderful women join us. I know our children will benefit greatly by their presence.

All of us at St. Bonaventure Indian Mission and School are truly blessed to count you as a friend. Be assured that you and your intentions are remembered as we gather for prayer. You are a gift to us!

May God bless you!



A handwritten signature in black ink, appearing to read "Chris Halter".

Christopher Halter
Executive Director

End of Year Gift Ideas

As the end of 2019 approaches, many friends are planning their annual year-end gifts. A gift at year-end can be a source of both satisfaction and tax savings. Of course, taxes are not the reason people give, but there are ways to give that take advantage of tax-saving opportunities.

■ Those who have reached age 70½ know they need to take annual distributions from their IRAs—and pay income taxes—whether or not they need the funds. It's possible to avoid paying tax on the withdrawal by instead telling the custodian of the IRA to send a check directly to St. Bonaventure Indian Mission and School. Although there is no income tax charitable deduction, a Qualified Charitable Distribution (QCD) saves taxes anyway. (See the Quick Tip below for rules governing QCDs.)

■ Recent increases in the standard deduction mean fewer taxpayers are itemizing expenses on their tax returns. One way to exceed the standard deduction might be to bunch two or three years' worth of charitable gifts into one year. Ann and Howard, who normally give \$7,500 each year, could make their 2019, 2020 and 2021 gifts in late 2019. Their \$22,500 gift allows them to exceed the standard deduction and itemize this year. If they give appreciated stock held more than one year,



they save again by avoiding the capital gains tax they would pay if they sold the shares.

■ It's possible to receive payments for life through a charitable gift annuity or charitable remainder trust, funded with a gift of cash or appreciated stock. For example, Barbara and Steve planned to leave a gift in their estate plans for St. Bonaventure. Instead, they've decided to make a gift now through a charitable gift annuity that will make payments to them for their lives. They will also be able to itemize in the year they make the gift.

Quick Tip: Giving Opportunities Through Your IRA

As mentioned above, friends of St. Bonaventure Indian Mission and School who have reached age 70½ have a unique opportunity for supporting our work. Tax-free gifts can be made from IRAs. These Qualified Charitable Distributions can satisfy all or part of the minimum distributions

that IRA owners are required to take each year—up to \$100,000. If you are considering an IRA gift, please call our office for the proper transfer instructions and so we can provide you with a receipt for your thoughtful contribution.

Rate Your Estate Plan: Take the Quiz

Here is a quick way to rate the effectiveness of your current estate plan. Add up your score and rate yourself on the plans you have made for disposing of your estate and protecting your beneficiaries' security.

Will/Living Trust. Score ten points if you have a will or living trust. Individuals who have revocable living trusts still need wills (to dispose of assets not placed in trust and to name executors or guardians). Add five points if you have stored your will or trust document in a fire-safe place and notified responsible people of the location. Add five points if you review your will or trust every year to ensure it remains up to date.
Score _____

Life Insurance. Do you have enough protection for your beneficiaries? Does your life insurance still serve its original purpose? Score five points if you have reviewed your life insurance coverage and beneficiary designations in the last year.
Score _____

Health Care Decisions. Score five points if you have a living will or have assigned health care power of attorney (arrangements for making health care decisions if you are incapacitated).
Score _____

Disability. Give yourself five points if you have established a trust or general durable power

of attorney that allows others to make financial decisions for you if you become incapacitated.
Score _____

Special Beneficiaries. Subtract five points if you have not established trusts or other arrangements to provide for beneficiaries (if any) who will need special care. Score _____

Business Interests. Subtract five points if you have not arranged for an orderly transfer of business interests (if any) at death, including payment of "death taxes." Score _____

Net Worth. Add five points if you can estimate, within \$20,000, your current net worth. If your estate is greater than \$11.4 million, subtract five points if you have not made plans for minimizing the federal estate tax. Score _____

Worthwhile Causes. Give yourself two bonus points if you have arranged through your will, trust, life insurance or retirement plan to continue your support for worthwhile causes and institutions, such as St. Bonaventure Indian Mission and School. Score _____

Total Score _____

Total Score: 35–42, excellent; **30–34**, good; **25–29**, fair; **less than 25** (or if you had to subtract points), see an estate planning professional as soon as you can.

20 Timely Tips for Retirees

St. Bonaventure Indian Mission and School offers a free booklet, *20 Timely Tips for Retirees*, that will be of great benefit to our friends who are retired or who expect to retire shortly. It illustrates 20 ideas for maintaining, even improving your financial security and for dealing with



personal and estate planning concerns that arise as one grows older.

You can receive your personal copy of *20 Timely Tips for Retirees* simply by returning the enclosed card.

Security for the Future Through Charitable Gift Annuities

Many friends of St. Bonaventure Indian Mission and School have found a way to provide for our future and theirs through a charitable gift annuity. In exchange for a gift of cash or stocks that have grown in value, you are entitled to fixed payments for life at attractive rates. One-life gift annuity rates generally range from 4.7% at age 60 to 9.5% at age 90 or older (see chart below). Gift annuities can also be arranged to pay for the lives of two individuals, at slightly lower rates.

Examples of Single-Life Gift Annuity Rates

Age of Donor	Rate of Return	Age of Donor	Rate of Return
60	4.7%	76	6.4%
62	4.8%	78	6.8%
64	5.0%	80	7.3%
66	5.2%	82	7.7%
68	5.3%	84	8.1%
70	5.6%	86	8.5%
72	5.8%	88	8.9%
74	6.1%	90 or over	9.5%

Why would someone want to arrange a charitable gift annuity with St. Bonaventure? There are several reasons:

- You can never outlive your gift annuity payments.
- Annuity payouts offer partially tax-free income for your life expectancy, making the rates even more attractive.
- An income tax charitable deduction is available for a portion of the amount transferred.
- Capital gains taxes can be reduced when a gift annuity is funded with appreciated stock. A portion of the capital gain is avoided entirely, with the rest spread over your life expectancy.
- Gift annuities can be arranged for one or two individuals, with payments continuing for the joint lives. This can be a spouse, siblings, a parent or close friends.
- By far the most attractive feature of the charitable gift annuity is the knowledge that you are helping secure the future of St. Bonaventure Indian Mission and School and playing a part in our mission.

Charitable gift annuities offer great flexibility. We would be happy to discuss how you can achieve your planning goals while aiding St. Bonaventure. For a personal illustration of the financial benefits for your situation, please feel free to contact us.

The purpose of this publication is to provide general gift, estate and financial planning information. It is not intended as legal, accounting or other professional advice. For assistance in planning charitable gifts with tax and other implications, the services of appropriate advisors should be obtained. Consult an attorney for advice if your plans require revision of a will or other legal document. Tax deductions vary based on applicable federal discount rates, which can change on a monthly basis. Some opportunities may not be available in all states. © Copyright 2019 by SHARPE newkirk. All Rights Reserved.

Meet Our Executive Director



Chris Halter has been the Executive Director of St. Bonaventure Indian Mission and School for 12 years. Prior to that, he developed and lead a non-profit organization in Central America for 15 years. Chris, a world traveler, is an avid reader of ancient and Medieval history of Europe, with other interest of history in Africa and Latin America.



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