



## Ways to Give a **Planned Gift at MedStar Health.**

### Charitable Bequests

Many people would like to help strengthen the long-term viability of MedStar Health but feel they cannot afford to make such a gift today. A bequest by will or revocable trust can be tailored to complement your personal lifestyle and financial goals and also support MedStar Health.

If you include MedStar Health in a bequest provision, please notify us so that we ensure your wishes can be fulfilled. Your notification will be treated confidentially.

#### What are the advantages of making a bequest?

- It is not payable until death, so it does not affect your assets or cash flow during your lifetime.
- It is private - your will is not filed or made public until your death.
- It is revocable - you can change the provisions in your will or trust at any time until death.

#### What is the best way to include MedStar Health in my will?

When including a provision for us in your will, you will want to make sure that your intention is stated clearly and that you have our correct name and address. It would be prudent if you or your adviser contacts us before drafting the document to ensure that the information you are including is accurate.

### Beneficiary Designations: Gifts of Retirement Assets or Life Insurance

#### Gifts of Retirement Assets

Did you know that your retirement plan assets will be taxed heavily when you die?

When you plan your estate, it may seem natural to designate a family member as your successor beneficiary and use other assets to make a charitable gift. But using retirement assets to make your gift and leaving other assets to your heirs often enables you to give more to your heirs.

#### Why is this an efficient way to give?

Since we are a not-for-profit, we won't pay income tax on the distribution (nor will the gift be subject to estate tax). The entire amount comes to us, and your heirs will benefit from a reduced estate tax burden.

#### Gifts of Life Insurance

You may be surprised to learn that your paid-up life insurance policies can be used to fund a gift to MedStar Health. If, for instance, you acquired several life insurance policies when your family was younger, with the children now grown the coverage may be more than you need.

**Tax Benefit:** If you donate a policy, your charitable deduction will be the lesser of the fair market value of the policy—we can guide you in determining this - or your cost basis, which is the total of your net premium payments.

Alternately, your annual income may be healthy, but you know that ongoing family obligations will make it difficult for you to accumulate capital. You want to make a significant gift to MedStar Health, but wonder how you will gather the resources to do so. If you take out a new life insurance policy naming us as owner and beneficiary, you can deliver a large benefit to us from income rather than capital.

**Tax Benefit:** You will make deductible annual gifts to MedStar Health in the amount of the premium payments; we will, in turn, pay the premiums to the insurer.

Or, you can also transfer ownership of an existing policy which is not yet paid up.

**Tax Benefit:** Your charitable deduction will be determined in the same way as if you had given us a paid-up policy. We reserve the right to surrender your policy or to keep it in force; you can make deductible gifts to offset the premium payments if we elect to continue the policy.

## **Gifts that Generate Income**

### **Charitable Gift Annuities**

The charitable gift annuity is a gift that pays you fixed payments based on your age. The older you are, the greater your annuity rate! In fact, of all the gifts that pay you back, the gift annuity may be the simplest and most affordable. Here are some of the features that make the gift annuity a popular life-income gift:

- You make a gift to MedStar Health and we agree to pay you a fixed amount for life. You know up front how much you will receive in return for your gift.
- A charitable gift annuity is easy to create. The gift agreement is a simple contract between you and MedStar Health. Your payments become one of our general obligations, backed by our corporate assets.
- After the death of the last annuitant, the balance of your gift annuity is available for the use you designated when you created your gift annuity.

A charitable gift annuity may be funded with a gift of \$10,000 or more. Gift annuities bring the benefits of a life-income gift into reach for many donors.

### **Charitable Remainder Annuity or Unitrust Trust**

If you are seeking a way to make a charitable gift while retaining fixed payments for you, your spouse, family members, or other individuals, you've reached the right page. The charitable remainder annuity trust is an individually managed trust that combines a charitable gift with regular, predictable payments, along with some flexibility in management and investment. In general, here's how it works:

- The annuity trust pays its beneficiaries a fixed-dollar income or a fixed percentage of the initial value of the assets that funded the trust.
- Income from your annuity trust can be paid to you and your other beneficiaries for lifetime, for a term of up to 20 years, or for a combination of both.
- When your annuity trust terminates—at the death of the last beneficiary or at the end of the trust term—the remaining balance will be available for the use you designated when you created the trust.

## **Charitable Remainder Unitrust**

The unitrust, similar to an annuity trust, is an individually managed trust paying its beneficiaries—you, your spouse, family members, or other individuals – income as a fixed percentage of the value of its principal but different from an annuity trust, a unitrust is revalued annually. In general, here's how a unitrust works:

- The unitrust pays income for the lifetimes of the beneficiaries, for a term of up to 20 years or for a combination of both.
- Beneficiaries receive a fixed percentage of the value of the trust's principal, which is revalued annually.
- Income in excess of that unitrust amount is reinvested to maintain principal and allow for growth.
- When your unitrust terminates—at the death of the last beneficiary or at the end of the trust term—the remaining balance will be available to MedStar Health for the use you designated when you created the trust.

A charitable remainder annuity or unitrust may be funded with a gift of \$100,000 or more.

For more information, please email us at **[philanthropy@medstar.net](mailto:philanthropy@medstar.net)**.