



DIOCESE OF CHARLOTTE

## Solid Plans Lead to a Stable Future

FALL 2018

Having an estate plan in place provides many advantages, but the greatest of these may be peace of mind. With more than half of all Americans lacking a will, the burden of not having a plan is all too often the legacy left behind. However, taking the time to express your wishes ensures the priorities that have guided your life are sustained in the years to come.

Your estate plan can reduce the stress and worry of the unknown, replacing it with the confidence that you will be remembered according to your wishes. Here are a few important points to remember about estate planning.

### Avoid uncertainty

An estate plan enables you to detail your exact wishes with specific provisions for family members and others important to you, like your charitable interests. As a result, it removes speculation concerning your intentions by arranging exactly how your assets will be divided once you no longer need them.

Your loved ones will not have to deal with unnecessary delays when carrying out your wishes. Taking the time to create an effective plan alleviates many of the common problems encountered in the estate settlement process.

### Be clear

To ensure your estate plan is accurate and fulfills your objectives, you should enlist the aid of your most trusted advisors for help, particularly your attorney. A qualified lawyer can make sure your plans are clear, functional and legally valid.

## New Director of Planned Giving

Please join us in welcoming Gina Rhodes as the new director of planned giving for the Diocese of Charlotte. Gina has more than 18 years fund raising experience in a variety of roles that includes higher education and local non-profits. She previously served as the director of planned giving for the diocese from 2000-2005.

Gina is excited to return to this role with the diocese and is looking forward to being of service to our parishioners as they put together their estate plans that will benefit the diocese, their parish, Catholic school, Catholic agency and/or the diocesan foundation.

### Start today

As you make your plans today, don't forget about other available tools that can help benefit you and the Church in a mutually beneficial way. On Page 3 there is more information on a special provision for giving directly from your IRA as well as some tax planning pointers.

The amount of time needed to set up an estate plan is minimal in comparison to the benefits it provides. If you don't have an estate plan in place, there's no reason to wait.

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### Inside:

- Ready, Set, Start!
- Make Gifts With Your IRA

## Ready, Set, Start!

When we go to the grocery store, we often make a list to remind us of what we need or want to buy. Once we are there, we may find other items to purchase that were not on our list. Still, having a list ensures we get what we need.

Lists can also be handy when planning your will. Before you meet with an attorney to help with your will, take a little time to write out two lists that will make sure your plans fit your needs.

### Take inventory

As you make a list of what you own, be sure to consider all of the following categories:

- Savings you have accumulated (such as bank accounts or CDs)
- Real estate (your personal residence, or a vacation home or rental property)
- Investments (stocks, bonds, mutual funds, etc.)
- Insurance policies
- Retirement funds (pension plans, IRAs, 401(k)s, etc.)
- Personal property (cars, furniture, jewelry, collections, etc.)
- Digital assets (photos, important documents, records of banking and retirement assets, etc.)

Your second list should include all those you want to provide for in the future, such as:

- Your spouse
- Children and grandchildren
- Other family members (siblings, nieces or nephews)
- Special friends and loved ones
- Charitable interests, such as the Catholic causes that hold a special place in your heart

### A head start

With these two important lists completed, you will know what assets you own and can then determine how you want them included in your preparations. You are now ready to meet with your attorney and other advisors to coordinate the implementation of your plans.

A draft of your arrangements should be prepared by a professional and carefully reviewed by you and perhaps one or more loved ones. Once all the details are settled, your will and any related documents are ready for signing.

## Catholic Heritage Society

Please join over 1,100 parishioners by becoming a member of the Catholic Heritage Society to provide for the future of the Church through a planned gift to a parish, Catholic school, Catholic agency, the Foundation or the Diocese.

*Become a member of the Heritage Society by making:*

- A bequest in your will
- A gift of cash, securities, real estate, or other tangible assets to establish an endowment
- A gift from your retirement plan
- A gift of an annuity
- A gift of life insurance
- A gift of a trust
- A gift of a life estate

For more information on making a planned gift and joining the Catholic Heritage Society, contact:

Gina M. Rhodes • Planned Giving Office  
1123 South Church Street  
Charlotte, NC 28203-4003  
704-370-3364 or  
gmrhodes@charlottediocese.org

## Make Gifts With Your IRA

If you are age 70½ or older, there is a special provision that allows you to distribute charitable gifts directly from IRAs.

Those with traditional IRAs who must withdraw funds that are not currently necessary to fund living expenses can give to the Diocese of Charlotte using these funds that would otherwise be taxed at your highest tax rate when withdrawn. You can give any amount you choose in this way up to a total of \$100,000 per year; \$200,000 per couple.

By giving directly from your IRA, you won't increase your adjusted gross income and possibly subject your Social Security or other income to higher levels of taxation. Another advantage: you can use the amount of your gift to offset your Required Minimum Distribution and avoid taxes on the withdrawal.

### Make gifts today

**Example 1:** Mary and John, ages 71 and 72, are semi-retired and enjoy income from several sources, including amounts they are required to withdraw from their IRAs. These withdrawals must be reported as taxable income, triggering additional taxes, even if they are using these funds for charitable gifts. That is because

Mary and John don't normally itemize their tax deductions.

The couple has been advised to make their gifts directly from their IRAs. The amount of these gifts will not be reported as taxable income and therefore will result in tax savings. These savings would not be possible if Mary and John withdrew the funds and were not able to take a charitable deduction. The amount given in this way does not count toward limits on exemptions and deductions and will still qualify as all or part of their required distribution for the year.

### Make future gifts

**Example 2:** Jill, age 81, knows that assets in her IRA could eventually be subject to both income and estate taxes. She is concerned the combination of these taxes could greatly reduce the amount she can leave to others.

Instead she decides to make maximum tax-free charitable gifts to support diocesan entities directly from her IRA each year and leave other, less heavily taxed assets to heirs.

Check with us or your advisors for more information on making charitable gifts from an IRA.

## Six Things to Know About Estate Planning

1. You should have an estate plan regardless of your net worth.
2. Your plan should include a will.
3. You do not have to be wealthy to create a trust.
4. You can leave an unlimited amount to a spouse tax-free.
5. Talking about your plans with your loved ones may prevent problems later.
6. You can create charitable gifts in your will that leave a lasting legacy.

## Are Your Plans Keeping Up With You?

If you already have estate plans in place, it's a good idea to review them from time to time to make sure your goals for the future and your plans are still united. The end of the year is a good time to look over your plans as you consider any changes that may have occurred this year. Keeping your will and estate plans up to date can be as important as preparing them in the first place. Many events can prompt a review of your plans, such as:

If you move to another state. Every state has its own rules regarding the settling of estates. If your plans were drafted under the laws of another state, now is the perfect time to revisit your plans and make sure they take advantage of all benefits under the laws of the state where you now reside.

**If someone can't serve.** What if the person you named to settle your estate is no longer able to serve? It is important to name an alternate executor.

**If financial circumstances change.** If your assets have increased or decreased in

value since you last updated your plans, or if you have acquired new property that was not included in your original will, you may need to revisit your plans.

**If your family changes.** Those who have experienced a change in their marital status usually need to make revisions. The birth of a child or grandchild can be another reason for a review.

**If tax laws change.** Tax laws change from time to time, as they did at the end of last year with the *Tax Cuts and Jobs Act of 2017*. You may want to check with your advisors to learn how current laws may affect your plans.

### More information

If you are interested in more information on any of the topics in this issue of *Your Legacy*, please return the enclosed reply card, contact us or visit [www.charlottediocese.givingplan.net](http://www.charlottediocese.givingplan.net). We are always happy to help in any way we can.



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If you choose to remember a Parish, the Diocese or the Foundation in your will, your gift should be listed as follows:

- For a Parish, the listing should be: "Peter J. Jugis, Bishop of the Roman Catholic Diocese of Charlotte, or his Successors in Office for the (name of parish, city)."
- For the Diocese, the listing should be: "Peter J. Jugis, Bishop of the Roman Catholic Diocese of Charlotte, or his Successors in Office."
- For the Foundation, the listing should be: "Foundation of the Roman Catholic Diocese of Charlotte to (be added to or establish) the \_\_\_\_\_ endowment fund."



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