



## Heading in the Right Direction

Is your estate plan headed in the right direction? You may not know unless you have a destination in mind. Consider some of these points of interest as you develop your estate planning itinerary:

**Your spouse.** Will your spouse have sufficient funds to live comfortably? Are they capable of managing the funds for lifetime security? If your spouse remarries, will the estate eventually pass to your children or to the new spouse?

**Children and grandchildren.** Will a bequest to children cause tax problems in their estates? Can you leave assets to younger grandchildren without giving them an outright inheritance?

**Family members with special needs.** Parents and grandparents generally want to provide for loved ones with special needs. How can their best interests be balanced with other estate planning goals? Your planning may need to involve a special needs trust, to preserve as much state assistance as possible, or guardianship arrangements.

**Taxes.** Estate taxes apply only to estates in excess of \$11.58 million in 2020, but a few states have inheritance or estate taxes that apply to smaller estates. Even estates that are sheltered from estate tax may have income tax concerns. IRAs, U.S. savings bonds and some other assets are subject to income tax when funds are

withdrawn. The income tax can be avoided when your Church is named to receive these assets through an estate or by beneficiary designation.

**Worthwhile organizations.** Would you like to continue the generous support you've provided during your lifetime? Can your gift also help achieve some of your other estate planning goals? The answer is yes. It's possible to provide support to a spouse, children or grandchildren while continuing your support and saving taxes at the same time.

These points of interest should be considered in relation to your long-term estate and financial plans. If we can provide more information to you or your advisors about the charitable aspects of your plans, please contact us.



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# Making an Impact

Charitable giving is often about making a difference and helping others. Every gift received can provide considerable, even essential, support to safeguard the future of the Church.

Here are some ideas to consider if you would like to increase your charitable giving this year:

## Giving now

Make tax-free gifts from your IRA. If you are age 70½ or older and would like to make a current gift to your parish, Catholic school or the diocese, you can make a qualified charitable distribution (QCD) from an individual retirement account (IRA) completely free of federal income tax (up to \$100,000 per person per year; \$200,000 per couple with separate IRAs).

Giving directly to the Church from your IRA won't increase your adjusted gross income, ensuring your Social Security income will not be subject to a higher level of taxation. Although all required minimum distributions are suspended for 2020, making a QCD is still a smart way to give as these are funds that have never been—and will never be—subject to tax.

## Giving for the future

Make your parish, Catholic school, Catholic agency, the Diocese of Charlotte or the Foundation the beneficiary of your retirement plan. When you leave the balance of an IRA, 401(k) or 403(b) to your heirs, they must carefully manage the account to avoid losing its tax-deferred status and potentially triggering large income taxes and possible penalties.

You can simplify matters for your loved ones by directing all or a portion of what remains in your retirement accounts to the Church and leave more tax-favored assets to your heirs.

## Learn more

For more information or if we can answer any questions about the charitable aspects of your plans, simply return the enclosed card or contact us.



## A Note of Sincere Thanks

As a loyal and committed supporter to the Church, we want to thank you for all you have done for us in the past. Your generosity has enabled us to provide for the future of the Church. In the days, weeks and months ahead, our work—and your support—will be more important than ever.

After first providing for the needs of family, friends and other loved ones, growing numbers of people are arranging long-range gifts in their wills or other estate plans. If you have made such a gift, or are considering doing so, please know such gifts are greatly appreciated. Legacy gifts have made and will continue to make a profound difference in our ability to pass on Catholic values to future generations.

If you are thinking about including any charitable provisions in your plans, we hope you will consider including your parish, Catholic school, Catholic agency, the Diocese of Charlotte or the Foundation in them, thus ensuring your enduring support in the future. If you have already done so, please consider letting us know so we can express our deep appreciation.

Above all, know that we are grateful for you.



# Let Your Plans Do Double Duty

One advantage of comprehensive estate planning is the flexibility to use multiple planning tools to ensure your plans are carried out. As you think about your future wishes, you might be interested to learn about ways to provide for others while also creating a source of additional income for yourself or for causes important to you. You may be pleased to know these tools can also provide tax savings.

## Make a gift and receive income

With a charitable remainder trust (CRT), you can place assets in a trust and receive regular payments. These payments can be fixed or can vary with asset values over time. The payments can be received by you, a spouse or other loved one for life or another period of time you choose. When the trust ends, the remaining assets are distributed to the Church.

Placing assets in a CRT entitles you to an income tax deduction and may also result in gift and estate tax savings. This type of trust can be a way to make a thoughtful gift and derive income from property that has increased in value but yields little return.

## Make a gift and provide for heirs

A charitable lead trust (CLT) can be an excellent way to support one or more charitable interests over time as well as supporting children or other loved ones in the future. With a CLT, you can direct assets to a charitable interest over a period of time, with the property eventually distributed to loved ones at a time you decide. You will also benefit from gift and estate tax savings with this type of trust.

## Multiple alternatives

Along with trusts, your will and other estate plans can be a special way to make future gifts after first ensuring family needs are met. It is possible to give:

- A specific sum or particular property.
- A percentage of your total estate.
- All or a percentage of what remains after first providing for loved ones.

There is currently no limit to the amount of charitable gifts that can be deducted for federal estate tax purposes, should these taxes apply. Charitable gifts can also result in tax savings under the laws of most states.



George and Jane Pfaff left an estate gift to Asheville Catholic School, Catholic Charities and St. Eugene Parish. They are an excellent example of stewardship whose generosity will have a positive impact for generations to come.





# Are You Up to Date?

The goal of estate planning is to outline your wishes about your property and how you would like to distribute it in the future. Are you certain that your plans are up to date? Take this quiz to find out.

1. Do you have a will or living trust to direct the distribution of your property? **Yes**  **No**
2. Is the makeup of your family the same as when you last reviewed your plans? **Yes**  **No**
3. Do you live in the same state as when you last updated your will and/or other plans? **Yes**  **No**
4. Has the value of your assets remained the same since you last reviewed your plans? **Yes**  **No**
5. Are all the people and charitable organizations important to you mentioned in your plans? **Yes**  **No**
6. Have you given appropriate powers of attorney to someone you trust to allow them to act for you should it become necessary? **Yes**  **No**
7. Is the person you have named to settle your affairs still able and willing to serve? **Yes**  **No**
8. Are your insurance and/or retirement plan beneficiary designations up to date? **Yes**  **No**
9. Have you made provisions for what will happen to your digital assets? (e.g., photos, emails, music or e-books stored electronically) **Yes**  **No**
10. Have you discussed your estate plans with your loved ones? **Yes**  **No**

## Your score

If you answered “**no**” to one or more of these questions, you may need to review your long-range plans. Your professional advisors can offer advice and help with any updates you might need.

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

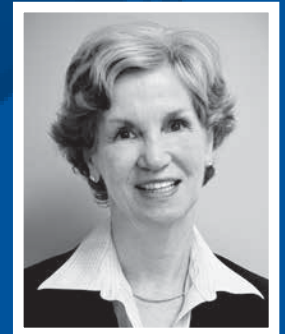
- › For a Parish, the listing should be: “Peter J. Jugis, Bishop of the Roman Catholic Diocese of Charlotte, or his Successors in Office for the (name of parish, city).”
- › For the Diocese, the listing should be: “Peter J. Jugis, Bishop of the Roman Catholic Diocese of Charlotte, or his Successors in 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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