

ARDEN WOOD soaring WING



Gift and Estate Planning Newsletter



Investing in What You Love

by Kate Colby

I recently chose Arden Wood as the provider of a charitable gift annuity. Having served on the boards of two smaller Christian Science nursing homes and as an interim facility administrator, I have always valued all the love and healing care these homes provide to the Christian Science community.

My earliest visits to Arden Wood were in the 1980s, when I would book Rest and Study visits while attending the annual Apple MacIntosh conventions in San Francisco. At another time, I was blessed by a Rest and Study stay during which I experienced a needed healing while listening to a metaphysical lecture piped into my room. Fond memories, a peace-filled facility, caring and attentive staff, beautiful grounds and a supportive healing environment: What's not to love and value and support?

It can be tough today for seniors to find any niches where they can safely position their retirement funds. Returns on conservative income vehicles, such as treasuries, corporate bonds,



CDs and money markets, are close to zero. Given the pandemic-disrupted economy, these meager returns are likely to remain very low for years to come. If one still needs to generate a retirement income stream, there are few low-risk options.

A strong, positive cash flow is still possible through investment in immediate income lifetime annuities. Returns for different investors will vary, as they are calculated based on one's age. If one

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Give With Meaning at Every Age

Generosity takes on new meaning as we grow older, build financial resources and set charitable goals. These planning checkpoints, arranged by age group, outline how to maximize your generosity to the causes that matter the most to you.

50s

Update your will to reflect any life changes, such as beginning a new relationship or grown children leaving home. Meet with a financial advisor to review your investments and savings—there's still time to make catch-up contributions for retirement.

BEST WAYS TO BE GENEROUS

- **A gift in your will or trust.** This costs you nothing today and can be made by adding one sentence to this document.
- **Retirement plan assets.** Name Arden Wood as a beneficiary of part or all of your retirement plan assets. It takes minutes to contact your plan administrator or complete the change-of-beneficiary form online.
- **Life insurance policies.** If your children are grown and financially stable, consider donating these to Arden Wood.
- **Donor advised funds.** This popular option offers you the flexibility to recommend how much and how often money is granted to qualified charities like ours. You open a fund with a written agreement at a community foundation or sponsoring organization, which then provides regular accounting to you.



- **Appreciated securities.** Donate stocks you've owned for longer than one year and receive an income tax charitable deduction when you itemize. You can also eliminate capital gains taxes.

60s

Check with your financial advisor to make sure you are on track with retirement savings. If you've already retired, revisit your expenses, priorities and health care needs.

BEST WAYS TO BE GENEROUS

- **Life income gifts.** If you are looking for income in retirement, consider establishing a charitable remainder trust and use appreciated assets to maximize your tax benefits. You receive income for life from the trust, with the rest supporting Arden Wood after your lifetime. If you have a high net worth and are looking to minimize taxes, a charitable lead trust allows you to support Arden Wood now and provide for loved ones in the future.



70s

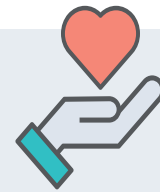
Discuss your giving goals with your family and meet with your financial advisor to align your financial and philanthropic plans.

BEST WAYS TO BE GENEROUS

- **Gift from your IRA.** If you are 70½ or older, give any amount up to \$100,000 per year from your IRA directly to a qualified charity such as Arden Wood without having to pay income taxes on the money.
- **Legacy letter.** This optional companion piece to your estate plan is a chance to share your dreams and your story with your loved ones.

- **Beneficiary designations.** Review the beneficiaries of your life insurance policies and retirement plan assets. Many of these assets may result in a large tax hit for your family, but they pass tax-free to us.
- **Bank or brokerage accounts.** Most states* allow you to designate one or more individuals or charities as a beneficiary of a checking or savings account; certificates of deposit; or brokerage or investment accounts.

**State laws govern payable-on-death accounts and transfer-on-death accounts. Please consult with your bank representative or investment advisor if you are considering these gifts.*



WHAT'S RIGHT FOR YOUR STAGE?

We're ready to work with you and your professional advisor to discuss a variety of giving options that work best for your personal circumstances. Please contact John Mitchell at (415) 379-2200 or jmitchell@ardenwood.org to start the conversation.

HAVE YOU PROTECTED YOUR LOVED ONES?

Your family is counting on you. Request our new guide, ***Your Loved Ones Are Counting on You***, to learn how your estate plan can meet the unique needs of your loved ones. (Example question: *Should your siblings be listed as a beneficiary in your will?*) Simply send back the enclosed reply card for your **FREE** copy.





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Investing in What You Love

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is 75, an annual payout rate would be approximately 5.4%*. While some of this payout is a return of principal, a portion of the return is interest. So, you can generate a dependable, known income stream for the remainder of your life.

You won't pay income taxes on the return of principal, only on the smaller interest portion of your payouts throughout your life expectancy. There are different types of gift annuities. You can select which one best fits your needs. You can include an additional income beneficiary on the policy or a deferment of income to later years in one's life. You can also buy a lifetime annuity from a traditional life insurance company, which will reap some remainder benefits when you leave this sphere.

But I have found a better way to use these annuities as an investment tool—investing in what I love and benefiting a favorite charity, like Arden Wood. This gift annuity also provides a lifetime income stream. Only charities of a certain size and scale, like Arden Wood, may be set up to offer, process and guarantee service on such annuities.

Whenever I move on from this earthly experience, I know that any remainder of my investment will go directly to Arden Wood. So I have preselected a "favorite charity" as my beneficiary. I have pre-adopted them into my final distributions without needing the specifics of a will or trust to so designate them.

Another huge benefit to this investment is a sizable tax write-off in the year of the annuity purchase. That write-off may be as much as 40% of the total annuity contract. If you don't need the total write-off in the year of your purchase, a portion of it can be rolled forward to future tax years.

This whole scenario seems a clear win-win. For me, it's investing in what I love, and for Arden Wood, it's being the recipient of my charitable giving. When I purchase a charitable gift annuity, I also like to send along a cash gift, such as 80% allocated to the annuity and 20% cash. I do this knowing the charity will not reap any benefits from my gift annuity until I depart this world. And I don't want them to have to wait that long for a deserved blessing!

**These rates are subject to change. Please contact us for a personalized illustration.*

To learn more about charitable gift annuities as an income source and investment in Arden Wood, contact John Mitchell.

California residents: Annuities are subject to regulation by the State of California. Payments under such agreements, however, are not protected or otherwise guaranteed by any government agency or the California Life and Health Insurance Guarantee Association. Oklahoma residents: A charitable gift annuity is not regulated by the Oklahoma Insurance Department and is not protected by a guaranty association affiliated with the Oklahoma Insurance Department. **South Dakota residents: Charitable gift annuities are not regulated by and are not under the jurisdiction of the South Dakota Division of Insurance.**