

OPTIONS FOR PLANNING



MOODY STEWARDSHIP
A Ministry of Moody Bible Institute

Securing the Future

“Everything is taken care of.”

Whether you're at work, on vacation, or in the middle of a busy time at home, that five-word sentence can be music to your ears. But when it comes to financial planning, can you ever be sure that **everything** is taken care of?

“If I retire, will I have enough to live on? How can I afford to support the ministries I care about?”

“Can I be sure that my family will be provided for, no matter what happens?”

“When all is said and done, has my life made a difference in this world?”

Moody Bible Institute's Planned Giving options can help you answer all those questions with a resounding, “Yes!” We can help set up a plan for organizing your estate with a will or trust, providing for you and your family through gift annuities and supporting the Kingdom work of Moody Bible Institute through a variety of tax-saving giving options.

All of these options provide ways for you to support the ministries of Moody Bible Institute. This brochure provides you with some basic information about these options.

Last Will and Testament

A Last Will and Testament can serve as the final declaration and testimony of a Christian's faith. In many cases a Will serves as the primary estate planning document. A properly prepared Will should contain provision for the disposition of your assets after death. But in a Will, you can

provide for the needs of your spouse and other family members and assure that some of your resources will continue to support the Lord's work after your passing. The ways to make a will bequest can be found on the inserted information card or in MBI's *Will Planning Kit* brochure.

Revocable Living Trust

A revocable living trust can accomplish your estate planning objectives in much the same way as a Will. But a properly funded trust accomplishes lifetime objectives as well. The trust can provide management of assets during your lifetime. This feature of a trust is especially beneficial if you ever become incompetent. There are many other good reasons for seeking professional management of assets during your lifetime. Assets held in trust are not subject to probate proceedings at death, resulting in the possibility of reduced administrative costs and the expedited transfer of assets to your heirs.

A **Revocable Self-Declaration Trust** allows the grantor to act as your own trustee. Under this option, you can manage your own assets as long as you are able and wish to do so. But the mechanism is in place for a successor trustee to take over management of your trust should that become necessary or desirable.

The **Living Trust** is an excellent tool to use in reaching your goals of Christian stewardship by naming Moody Bible Institute as a charitable beneficiary. Moody Bible Institute can also serve as trustee of your revocable living trust, or as successor trustee under a self-declaration trust.

Other Planning Options

Gifts of Life Insurance: It may be possible for you to leave a substantial gift to Moody at your death through a gift of life insurance. If you transfer ownership of an insurance policy to Moody, you will be entitled to an immediate income tax deduction equal to the cash value of the policy. You may make annual deductible contributions to enable Moody to pay the policy premium. And, at your death, Moody will receive a benefit larger than you may have thought possible.

Beneficiary Designations: Another way to benefit Moody at your death is by naming Moody as P.O.D. (Pay on Death) beneficiary of a bank account or T.O.D. (Transfer on Death) beneficiary for a securities account. Moody can also be named as beneficiary of an IRA or other retirement account. Since Moody is tax-exempt, it will benefit from the full value of the retirement account, and will not have to pay income tax on funds withdrawn from the account.

Remainder Interest in a Home or Farm: The tax laws allow you to transfer title of a home or farm to the Moody Bible Institute, while retaining a life estate for yourself. You will be entitled to reside in the property and to receive all income from the property for the rest of your life. Upon death, the home or farm becomes the property of Moody. If the transfer is irrevocable, you receive an income tax deduction at the time of transfer.

Federal Estate Tax Considerations: Whether you leave money to Moody through your Will, Trust, or by beneficiary designation, all of these gifts are removed from your taxable estate and are not subject to federal estate tax.

Life Income Gifts

The following Life Income Gifts are designed to provide an income to the donor or beneficiary for a fixed number of years or for life.

Charitable Gift Annuities: A gift annuity is an arrangement whereby a donor gives a sum of money or publicly traded securities to Moody Bible Institute; in exchange Moody pays a fixed lifetime income to the donor. A charitable gift annuity can also be set up for two-lives, to provide payments to the donor and a spouse or other beneficiary.

As a Charitable Gift Annuity donor, you receive an immediate tax deduction. In many cases, annuity rates compare favorably to CDs and other fixed income investments.

It is also possible to make a gift to Moody now and receive a significant current income tax deduction, but delay the receipt of annuity payments to some time in the future such as age 65. By delaying payments the annuity rates and tax deductions are higher – making a Deferred Gift Annuity an excellent retirement planning option or IRA alternative. The option should be given special consideration by those individuals who already make maximum contributions to IRAs or other qualified plans, and would like to put away more funds for retirement, while also benefiting Moody.

Pooled Income Fund: This giving option allows you to irrevocably transfer cash or appreciated publicly traded securities to the fund and to designate a beneficiary such as yourself or a loved one to receive the income. Your gift will be combined with the gifts of others and invested in a diversified portfolio.

Charitable Remainder Trust: A Charitable Remainder Trust is an irrevocable trust, which pays income to one or more beneficiaries and distributes the remainder to charity after the death of the beneficiaries, or a term of years. The trust can be funded with cash, appreciated real estate, publicly traded stock, closely held stock, bonds (including tax exempt bonds), and other assets. Income payments can be variable, based on a percentage of trust assets (Charitable Remainder Unitrust) or fixed (Charitable Remainder Annuity Trust). The donor is entitled to an income tax charitable deduction equal to the value of the remainder interest in the year that the trust is funded.

The Charitable Remainder Trust is an excellent tool for dealing with highly appreciated assets, which produce little or no income. If the donor were to sell these assets, capital gains tax would have to be paid, and there would be a smaller amount left to invest. However, if the donor contributes the appreciated asset to a Charitable Remainder Trust, the trust can sell the asset and invest the entire proceeds for the benefit of the donor and family, because the trust is not subject to capital gains tax.

Charitable Remainder Trusts can also be used creatively to set aside funds for retirement. Further income tax advantages can be obtained by naming a Charitable Remainder Trust as the beneficiary of an IRA or other retirement account. The funds can then be invested in the trust to produce income for children or other heirs.

Testamentary Life Income Arrangements:
All of the life income arrangements described

above can either be set up during life, or can be designed to take effect at death. If the life income gift is made during life, normally the donor retains the income interest for his or her life and/or for the spouse's life. If the gift is designed to be effective at death, the donor can provide for a life income interest for spouse, children or other heirs. A term of years arrangement is also available with Charitable Remainder Trusts. When established at death, each of the life income arrangements will produce federal estate tax savings.

Outright Lifetime Giving

In addition to the planned gifts mentioned in this brochure, many donors wish to exercise Christian Stewardship by making regular current gifts to Moody Bible Institute. Contributions to the Moody Bible Institute of Chicago, a tax-exempt organization under Section 501(c) (3) of the Internal Revenue Code, are deductible for income and estate taxes. Donations can be made in cash, stock, or other property. In addition, Moody will consider gifts of real estate, depending upon the value, location and marketability of the specific real estate.

Gifts of appreciated publicly traded stock can be a very good way to give. If you want instructions on how to make a stock donation, call the Stewardship office at 1-800-801-2171.

The Right Plan for You

The Moody Stewardship Department stands ready to assist you in your planning. Please contact us for further information. Call our toll free number and ask for the Stewardship Department, 1-800-DL-MOODY. Moody has Stewardship Representatives who can call on you in your home or office to discuss your giving options and estate planning needs.



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