

# Types of Planned Gifts

## Common Giving Mechanisms

Gift Vehicle	Income to donor	Payment Frequency	Tax deduction	Advantages
<b>Bequest by Will or Trust</b> Give assets through estate planning.	None		Possible reduction of estate and inheritance taxes.	Can be designated and revocable.
<b>Retirement Assets</b> Give tax-deferred assets to a charity as a beneficiary at death.	None.			Charity receives assets avoiding tax on deferred gain.
<b>Life Insurance Gift</b> Assignment of policy to church or church holds policy on donor's life.	None.		Possible tax deduction of premiums and cash value of policy.	Ability to "leverage" gift.
<b>Appreciated Property</b> Give assets that have appreciated in value while living.	None.		Income tax deduction; capital gains tax may be avoided.	Versatile—most any form of property could qualify.

## More Specialized / Less common Mechanisms

Gift Vehicle	Income to donor	Payment Frequency	Tax deduction	Advantages
<b>Pooled Income Fund</b> Give to fund, receive income payments for life.	Income for life. Rate based on market conditions	Usually quarterly.	Initial possible income tax reduction. Capital gains tax and estate tax reductions.	Satisfaction of making major gift while living.
<b>Charitable Gift Annuity</b> Annuity issued in exchange for property (usually cash or securities).	Income for life, may be deferred. Fixed rate based on donor's age.	Monthly, quarterly, or annually.	Initial possible income tax reduction. Partially tax-exempt payments and possible reduction of estate taxes.	Satisfaction of making major gift while living.
<b>Charitable Remainder Unitrust</b> Irrevocable trust which pays an amount based on annual value of assets.	Varying % based on market conditions.	Normally quarterly or annually.	Initial income tax deduction. Possible reduction of estate and inheritance taxes. Avoid gains taxes if funded with appreciated securities.	Satisfaction of making a major gift while living.
<b>Charitable Remainder Annuity Trust</b> Irrevocable trust which pays a fixed amount based on initial value of assets.	Fixed amount of income.	Normally quarterly.	Initial income tax deduction. Possible reduction of estate and inheritance taxes. Avoid gains taxes if funded with appreciated securities.	Satisfaction of making a major gift while living.
<b>Life Estate</b> Give real estate but retain right to use it for life.	Retention of right to use property for income or residential purposes.		Tax deduction based on equity in the property and donor's age. Possible estate tax reductions.	Satisfaction of making major gift while living.
<b>Charitable Lead Trust</b> Trust pays church income, returns remainder to donor or gives remainder to heirs after set number of years.	None.		Trust usually passes to heirs at reduced gift and estate tax rates.	Trust dissolves after set period of time (10 to 20 years).
<b>Bargain Sale</b> Sell an asset or business to the church at below-market price.	Purchased price of asset.		Partial income tax deduction for amount "lost" by the sale.	Satisfaction of making major gift while living.