Huntington Hospital

Portico

FALL 2017 | FINANCIAL and GIFT PLANNING NEWS

MAGNET RECOGNIZED
AMERICAN NURSES CREDENTIALING CENTER

Worthy of your support

Your thoughtful year-end and planned gifts help sustain and enhance care at our Nan and Howard Schow Emergency & Trauma Center — the only center of its kind in our region. Thank you for helping speed high-quality care to patients with the most urgent needs!

IN THIS ISSUE

Clarence (Chuck) Waterman

Giving strategically.

While working as a stockbroker, **Clarence (Chuck) Waterman** planned thoughtfully for retirement and philanthropy. He and his late wife, Pam, created a charitable gift annuity at Huntington Hospital in 2007, but deferred the annuity payments. Over time, the couple created additional gift annuities, staggering the dates at which they would begin receiving annuity income.

The Watermans enjoyed charitable income tax deductions when they created their gifts and began receiving a steady stream of income post-retirement. Since Chuck left the workforce, he has continued to create charitable gift annuities, but no longer defers payments. “While I was working, I didn’t want the additional income,” he explains. “Now I’m using the payments — and I still get the tax benefits.”

Chuck, who serves on our Planned Giving Advisory Council, has created eight charitable gift annuities to date. (The two-life annuities he and Pam created transferred to Chuck following Pam’s death in 2012.) “There’s no magic in my way of doing this,” Chuck demurs. “Helping the hospital is the reason I give, and deferring taxes is simply the reason for the method I use.”

Dear friends:

Your generous support makes a difference at Huntington Hospital! Any gift you complete this year, furthermore, qualifies for a charitable deduction on your 2017 return. Some gift vehicles — like the charitable gift annuity — even provide the added benefit of a lifetime income.

I would be pleased to answer your questions about gifts that help you while also helping your hospital. I also encourage you to request a copy of our free guide, *10 Year-End Taxpayer Strategies*, which provides additional year-end planning tips and ideas.

Thank you for your support of excellent, compassionate health care. For more information, please contact me via phone or email, or return the attached card.

Sincerely,

Jack Brickson
Director, Planned Giving

Tax-wise giving.

As your income increases, the percentage of tax that you are expected to pay on your income also increases. While the lowest federal income tax rate is 10 percent, the rate increases up to a maximum rate of 39.6 percent for individual taxpayers with taxable income over $418,400.

Charitable gifts, of course, qualify for a tax deduction in the year they are made. A gift made by December 31, 2017, can reduce this year's tax bill significantly if you itemize. (If you expect to receive a large boost in income this year, then timing your charitable gift to take advantage of the tax benefit becomes even more important.)

EXAMPLE*: George makes a cash gift of $50,000 to Huntington Hospital before year's end. As a result, his taxable income is reduced by $50,000, which — given his tax bracket — saves him $16,500 in taxes. The true cost of his gift is thus $33,500 ($50,000 less $16,500 in tax savings).

Particularly in light of recent stock market gains, making a gift of appreciated stock may provide even greater tax advantages. When contributing stock you have held more than one year, the full amount of the gift is deductible and no capital gains tax is due on the stock's appreciated value.

* Examples are for illustrative purposes.

EXAMPLE: Sally purchased stock for $5,000 and it is now worth $20,000. She makes a gift of this stock, taking a tax deduction for the full $20,000 value. In addition, she pays no taxes on the $15,000 appreciation — for a double tax benefit!

There is another reason for considering a gift of appreciated stock, particularly if you are considering selling stock. The net investment income tax — a 3.8-percent surtax — applies when an individual reaches specific income threshold amounts ($200,000 for singles and $250,000 for couples). Capital gains tax from the sale of appreciated stock can trigger this surtax. By making a gift of the stock, you can avoid the net investment income tax.

Tax advantages, lifetime income.

The charitable gift annuity (often called a life income gift) is easy to set up — and also provides an income tax charitable deduction in the year it is created. In addition, you:

- Receive reliable retirement income, partly tax-free.
- Have the satisfaction of supporting your region's premier medical institution.

Annuity payments may benefit up to two individuals (usually the donor and/or a spouse) and you can create your gift annuity using cash, stock, or other property. Multiplying the benefits, you can establish as many charitable gift annuities as you wish.

EXAMPLE: Phyllis, age 80, recently worked with a financial advisor to review her financial plan. She decided to use the money from a maturing CD ($10,000) to create a charitable gift annuity with the hospital. The gift annuity will pay her 6.8 percent ($680 annually), disbursed in quarterly payments, for as long as she lives — and 77.9 percent of her annuity payments will be tax free for many years. In addition, she will receive a charitable tax deduction of $5,021 that will lower her taxes this year. (Information is based on an applicable federal rate of 2.4 percent and quarterly payments.)

IMMEDIATE PAYMENT CHARITABLE GIFT ANNUITY
SAMPLE RATES

AGE	65	70	75	80	85	90
RATE	4.7%	5.1%	5.8%	6.8%	7.8%	9.0%
AGES	65, 65	70, 70	75, 75	80, 80	85, 85	90, 90
RATE	4.2%	4.6%	5.0%	5.7%	6.7%	8.2%

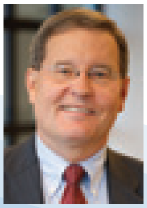
Please contact the office of planned giving to verify rates.

Retirement assets.

Since none of us can predict how long we will live or what will happen to the economy in the future, we all share an important concern: Will our assets last a lifetime? Most of us want to preserve qualified retirement plan assets as long as possible. Nonetheless, under the right circumstances, it may make sense to use retirement assets to meet charitable goals.

If you are an IRA owner age 70½ or over, your annual required minimum distribution (RMD) presents a gift opportunity. When you do not need the distribution or do not want to pay the additional income tax that will be due as a result of it, you can direct your IRA custodian to make a qualified charitable distribution (up to $100,000) from your IRA directly to us. The gift counts toward your RMD *and no tax is due!* It's another simple, tax-wise way to meet charitable goals and make an immediate impact at Huntington Hospital, and you are allowed to make these gifts every year.

Huntington Hospital



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Huntington Hospital

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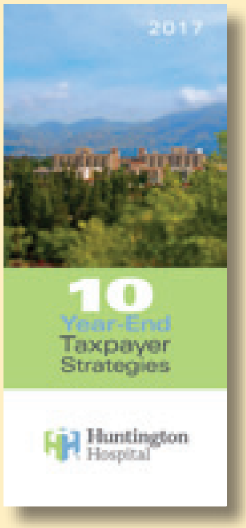
Smart year-end strategies.

For ideas that can help you minimize your tax burden, create future income and help the hospital, request a copy of our *10 Year-End Taxpayer Strategies* brochure. The brochure includes information about tax-deferral vehicles such as flexible spending accounts and health savings accounts; tax-wise charitable giving vehicles including charitable trusts; and a handy tax checklist.



ACTIONS YOU CAN TAKE TODAY

Return the attached response card to request our **FREE** *10 Year-End Taxpayer Strategies* brochure.

Visit **www.huntingtonhospital.org/giftplanning** to learn more about gift planning options.

Contact us by phone at **(626) 397-3241** if you need answers to any questions regarding legacy planning.

Email **jack.brickson@huntingtonhospital.com** to request a copy of the free brochure or a no-obligation gift planning consultation.