



## Worthy of your support

The Jim and Eleanor Randall Breast Center at Huntington Hospital provides advanced screening and diagnosis, medical intervention, care coordination and a host of support and follow-up services. Generous donors help make this important work possible.



John and Bonnie DeWitt

## Making a difference with an IRA charitable rollover.

**John and Bonnie DeWitt** have provided philanthropic support to Huntington Hospital for almost a decade. John—longtime owner of J.E. DeWitt, Inc., a business-to-business fuel supplier in Southern California—has been a patient here. In addition to three surgeries, “I’ve had a couple of cycling accidents that required a trip to the emergency department,” he says. The DeWitts are grateful for the care he received.

Some of the couple’s gifts have been made via distribution of funds from an individual retirement account (IRA). The so-called IRA charitable rollover is one way in which thoughtful donors can benefit the hospital while also meeting personal financial goals. “You reach a certain age and you have to take dollars out of your IRA each year,” says John. “Transferring those funds directly to the hospital,” he adds, “allowed us to make a gift while also avoiding the income tax that would have been due if we’d taken the money from the IRA ourselves.”

“We feel a strong connection with the hospital and we’re glad to support it,” says Bonnie. “We trust them to use our dollars in exactly the way they promise.”

### IN THIS ISSUE

Are You Fully Funded?	2
Smart Planning	2
Controlling Your IRA	3

Dear friends:

If you're still looking forward to retirement, there are steps you can take to increase your nest egg. If you have already retired, careful planning can help make the best use of accumulated retirement assets.

In this issue of *Portico*, we'll take a look at important retirement planning considerations. We'll also explore ways that charitable giving can complement your overall retirement plan—and help you leave more than you might have anticipated to your heirs.

If you'd like to know more, please contact me by phone or email, or return the attached card. I also encourage you to request our free brochure, *Retirement Plan Assets—Leaving More to Your Family and Charity*.

Thank you for your interest and support,

**Jack Brickson**  
Director, Planned Giving



## Are you fully funded?

The most important retirement planning principle is perhaps the simplest: Your retirement income depends on what you've set aside in advance. Fully funding your IRA and/or other employer-sponsored retirement plan—by making the maximum allowable contributions—increases the potential for a comfortable life once you've stopped working for a living.

Tax-favored contributions and tax-deferred earnings make retirement plans the logical first step in accumulating funds for your retirement. If you're 50 or over and haven't contributed the maximum amount to your eligible plan in the past, the IRS currently allows you to make catch-up contributions (see chart).

Retirement Plan	2017 Contribution	Additional Catch-up Contribution Limit	Total Contribution Limit*
401(k), 403(b), and most 457(b) plans	\$18,000	\$6,000	\$24,000
IRAs	\$5,500	\$1,000	\$6,500

\* Allowed for age 50 and over

## A smart way to supplement retirement income.

Despite regular investment in a retirement plan, you may need to consider additional strategies to support you after you leave the workplace. Charitable gift annuities can help fill the gap.

It's easy and rewarding to establish a charitable gift annuity at Huntington Hospital. In exchange for your gift of cash or other property, we provide you with an annuity payment at an attractive rate. The fixed annuity payment rate is based on:

- The age of the designated annuitant (or annuitants—two maximum) at the time the gift is made, to the nearest birthday. For example, for an individual annuitant who creates a gift annuity at age 70, the rate is 5.1 percent; at age 80, 6.8 percent; and at age 90, 9.0 percent.
- The amount of the gift.
- When payments will begin.
- The rates in effect when the gift annuity is established. (Rates are established by the American Council on Gift Annuities and are updated from time to time.)



Payments continue for a pre-established time period—usually, the lifetime of the beneficiary or beneficiaries. The older you are when you establish the charitable gift annuity, the higher the payment rate—and by deferring payments, rather than choosing to have payments begin immediately, you will also enjoy a higher payment rate.

Additional benefits of a charitable gift annuity include an income tax deduction for the gift portion of the contributed assets (usually cash or stock). For many years, part of each annuity payment is also considered a tax-free return of principal, meaning that tax is only due on a portion of the payment.

Please contact us if you have questions about how a charitable gift annuity can meet your philanthropic intentions while supplementing income from other retirement plans.

## Staying in control of your retirement plan.

If you own an IRA you must begin taking annual distributions commencing at age 70½. The required minimum distribution (RMD) each year is based on your age and the total in your account and each distribution is subject to tax.

What if you don't need these funds and don't wish to bear the resulting tax burden? Philanthropically minded IRA owners have the opportunity to make a gift to Huntington Hospital directly from their IRA. This qualified distribution, known as the IRA charitable rollover, was made permanent by 2015 legislation and provides several benefits:

- You pay **no income tax** on the distribution (subject to a \$100,000 limit).
- You can count it toward your RMD. For example, if your RMD is \$30,000 and you make a qualified charitable distribution of \$30,000 directly from your IRA to Huntington Hospital, you have satisfied your RMD for 2017.
- You can make a gift every year—a tax-wise way to meet your philanthropic goals.

A gift from your IRA must be transferred directly from your account to Huntington Hospital to avoid taxation. In addition to contacting your account custodian to arrange your gift, please notify us so we can verify that your gift is received and provide all appropriate documentation for your records.

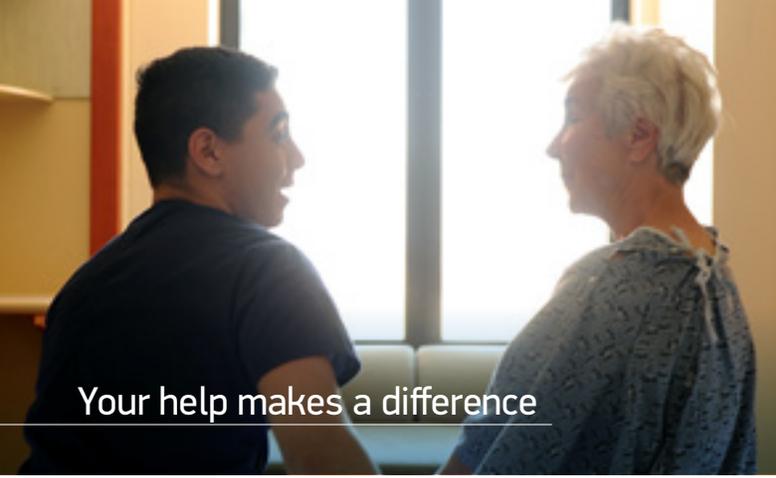
*Note: Defined contribution plans—401(k) plans, 403(b) plans, employee stock ownership plans and profit-sharing plans—are also subject to RMD requirements, but they are not eligible for the qualified charitable distribution option.*

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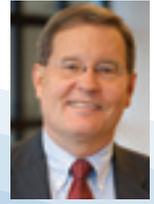
## IRA assets in your estate plan.

When planning your legacy, it's important to know that funds transferred from your tax-deferred retirement account will be subject to income tax at the time your loved ones begin receiving them.

If you wish to make a gift to Huntington Hospital and provide for loved ones through your estate plan, there's a more tax-smart choice: You may designate funds from your retirement plan to the hospital, using your plan's designation form (as a nonprofit organization, we don't pay tax on the funds) and bequeath assets that receive more favorable tax treatment to your heirs.



Your help makes a difference



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## A thoughtful retirement strategy.

Using retirement assets to meet charitable goals can be as simple as naming Huntington Hospital as the full or partial beneficiary of your retirement account. You can change the beneficiary designation in keeping with your changing needs and goals, at any age—and it's easy to do! Contact the custodian or manager of your plan for information about making a beneficiary designation.



### ACTIONS YOU CAN TAKE TODAY



Return the attached response card to request our **FREE Retirement Plan Assets—Leaving More to Your Family and Charity** brochure.



Visit [www.huntingtonhospital.org/giftplanning](http://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](mailto:jack.brickson@huntingtonhospital.com) to request a copy of the free brochure or a no-obligation gift planning consultation.