

Planned Giving and Real Estate

Summer 2019

Philanthropy and Real Estate

When you consider making a charitable gift, you have many options as to what you contribute. You can give cash, stocks, bond, collectibles, land, buildings, or virtually anything of value.

Benefits may include:

- Reduced income, estate and property taxes
- Lower insurance and upkeep costs
- Avoidance of capital gains taxes;
- Financial security for loved ones;
- Increased lifetime income;
- Continued use of the contributed property



Give, But Keep Lifetime Use

If you own your own home or farm - or even a vacation home - you may be able to make a gift of the property, obtain an immediate income tax deduction and continue to use the property for as long as you wish.

How does this work? Simply give the property but retain the right to use it for your life (a "life estate") You can continue to live in your home or receive income from the farm, and only after your death will the property pass for our benefit. By arranging this gift now, rather than in your will, you receive an immediate income tax deduction for the present value of our future right to receive the property



Take the example of Sam and Cathy, Sam is 77 years old and Cathy is 75. They are retired but pay substantial income tax each year. Sam owns the home that they live in (currently worth \$500,000) and he finished paying off the mortgage ten years ago. Sam and Cathy plan to live in their home for the rest of their lives. However, they also would like to make a significant gift to assist our programs. Sam has decided to deed

the home to us, retaining use of the home for his life and for Cathy's life. Based on their ages and other factors, Sam will receive an income tax deduction this year of about \$181,000.

Got a Low CD Rate? Check this out!

A charitable gift annuity can be an extraordinary way to make a large gift to Bluefield College, while increasing your income and slicing your tax bill all in one transaction.

A charitable gift annuity is a contract in which you exchange a gift of cash or securities for a guaranteed fixed income each year for the rest of your life. There are five primary benefits of a gift annuity to BC: **1) Income for the Rest of Your Life** – even attractive payout rates for one or two lives, **2) Tax Deduction Savings** – a large part of what you give is considered a charitable gift and tax deductible by law, **3) Tax-Free Income** – a part of your annual payments are tax free return of principal, **4) Capital Gains Tax Savings** – giving appreciated securities, minimizes taxes on your “paper profit,” and **5) Personal Satisfaction** – from making a lasting gift to Bluefield College.

For more details about charitable gift annuities or planned giving, contact Hal Keene, Director of Planned Giving and Major Gifts, at 276-326-4209 or via vkeene@bluefield.edu.

