



Legacy of  
 Healing  
PARTNERS

# *Giving Guide*



**Baptist Health**  
FOUNDATION





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- A portion of the gift is tax deductible

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# Charitable Gift Annuities

In exchange for an irrevocable gift of cash or marketable securities, Baptist Health Foundation agrees to pay a fixed amount of money to one or two individuals for their lifetime.

The amount of the payment each year will be calculated on the amount of your gift annuity when it is established. The payment rate for a charitable gift annuity depends upon the beneficiary's age—the older the beneficiary, the greater the payment rate and the higher the annual income.

## *Deferred Charitable Gift Annuity*

A deferred charitable gift annuity offers all the features and tax benefits of an immediate-payment gift annuity. The payments, however, are timed to start at a higher rate one or more years after the donor creates the annuity. Deferred gift annuities may be more attractive to younger donors who want the tax deduction to offset current income and receive supplemental income at a later date.

*\*Please consult your legal and/or tax advisors for more information and to determine if a Baptist Health Foundation gift annuity is right for you.*

## *A Charitable Gift Annuity Might Interest You If . . .*

- You want to receive fixed payments for life.
- You have assets that you are able to give away during your lifetime.
- You want to reduce your current income taxes with a charitable income tax deduction.

### **ASSETS THAT WORK WELL INCLUDE:**

- Cash
- Appreciated securities

# Charitable Remainder Trusts

A charitable remainder trust is created when you irrevocably transfer assets to a trust, which then pays income to you and/or other beneficiaries that you name for life or for a set term (with a maximum of 20 years). When the trust ends, the remainder goes to Baptist Health Foundation as your gift.

## *Two Types Of Charitable Remainder Trusts*

**CHARITABLE REMAINDER ANNUITY TRUST (CRAT)** Pays a fixed dollar amount to income beneficiaries for life or for a term of years. This gift plan pays the exact same amount to the beneficiaries each year. The fixed payout amount does not fluctuate with market conditions. The CRAT cannot accept additional gifts after it has been established.

**CHARITABLE REMAINDER UNITRUST (CRUT)** Pays the income beneficiaries a fixed percentage rate for life or for a term of years. The annual income amount is based on the fair market value of the trust assets, so the payout will increase or decrease based on changes in the trust asset value. A CRUT can accept additional gifts.

## *Characteristics Of Charitable Remainder Trusts*

- Trusts can be funded with cash, securities or other appreciated assets.
- Funding a charitable remainder trust with appreciated assets may mitigate capital gains taxes.
- When you create a charitable remainder trust, you may receive an immediate income tax deduction, in addition to possibly gaining significant income and estate tax savings. Your deduction will be based on the full fair market value of the securities or real estate you contribute, reduced by the present value of the income interest you retain.
- A charitable remainder trust pays you and/or the named beneficiaries for life or a set term of years. At the death of the final income beneficiary, the assets of the trust pass on to the charity of your choice.
- The trust is irrevocable and may be set up during the lifetime of the donor, or it may be created at the death of the donor for the benefit of the donor's heirs.

*\*Please consult your legal and/or tax advisors for more information and to determine if a charitable remainder trust is right for you.*



# Donor-Advised Funds

If you have a donor-advised fund (DAF), now is the time to use the funds to make a positive and immediate impact on a charitable cause that is meaningful to you.

## *Giving To Baptist Health Foundation Donor-Advised Fund Is Simple*

- Call your fund manager and recommend a grant to Baptist Health Foundation.
- They will send your grant directly to Baptist Health Foundation from your fund.

The grant will arrive at Baptist Health Foundation with only the fund's name and address on it. Please request your name and address be included, and call to inform us of your gift so you can be recognized for your generosity.

*\*Please consult your legal and/or tax advisors for more information and to determine if giving through your donor-advised fund right for you.*

## *Things to Remember*

- If you have a donor-advised fund, you received an immediate tax deduction when you contributed to the fund. This means that for tax purposes, you have given to charity, but no one has benefited from your donation.
- You are able to recommend grants to Baptist Health Foundation over time, and the ability to recommend distributions can be shared with and passed down to family members so that you can create a family legacy of giving.

# Gifts of Property

Individuals who own valuable property may find that donating it to charity is a good way to maximize the impact of their support while benefiting from tax savings.

There are a number of ways to donate real estate\*, such as a home, farm or vacation property. A gift of real estate could lead to significant savings on income or estate taxes, and you may receive a charitable income tax deduction for the appraised value of the property. You would also be freed from paying real estate taxes, maintenance costs and insurance on the property, as well as capital gains taxes on the appreciated value of the property since you acquired it.

## *You May Be Interested In Giving A Gift Of Real Estate If . . .*

- You own property that has appreciated in value since you acquired it.
- You have owned the property for more than one year.
- You would like to be free from paying real estate taxes and the costs of insurance and upkeep on a property.

If you are not ready to make an outright gift of real estate, but you would like your property to pass to Baptist Health Foundation after your lifetime, you may be interested in a “transfer-on-death” deed, sometimes also referred to as an “enhanced life estate” deed. This type of deed, only available in some states, allows you to live on your property and retain the authority to sell or mortgage it at any time. If you do not sell the property during your lifetime, it will pass directly to Baptist Health Foundation, as your named beneficiary upon your passing.

A transfer-on-death deed (or enhanced life estate deed) lets you:

- Avoid probate of the property.
- Keep the right to use and profit from the property during your lifetime.
- Maintain the right to sell the property at any time.

*\*Real estate donations are subject to approval by our gift acceptance committee.*



# Stocks & Other Securities

You may be able to make your charitable dollars go further by donating appreciated securities, such as publicly traded stock, bonds or mutual fund shares to Baptist Health Foundation. Appreciated securities are investments that have increased in value from the time they were purchased.

By taking advantage of certain IRS tax incentives, you may be able to claim a charitable tax deduction for the full, fair market value of the securities, and pay no capital gains tax on the transfer.

## *Stock Instructions For Baptist Health Foundation*

### **Stock – DTC Bonds**

SEIC As Agent for Regions Bank

DTCC Participant ID 2663

Agent Bank ID 70224

Agent Bank ID Account #20067-D

Interested Party ID 70224

For Further Credit to: Baptist Health Foundation Luther King

Account #7051000186

Tax ID: 23-7169407

### **Bonds – Federal Reserve**

SEIC As Agent for Regions Bank ABA Number 042000013

Sub Account 1050

Account 001050985491

FBO - 20067-F Account #7051000186

**For assistance, please call us 501-202-1839**

*\*To ensure that your gift is properly credited, you should always notify Baptist Health Foundation before you make this type of gift.*

## *Things to Remember*

- To take full advantage of the tax benefits, give securities you have owned for longer than one year. Your charitable deduction for securities that you have held for less than a year will be limited to the amount you paid (your cost basis) for the securities.
- Do not sell appreciated stock before making your donation. Even if you donate the proceeds of sale, the IRS will impose capital gains taxes on your sale, eliminating some of the benefits of this way of giving.
- If you wish to donate depreciated securities, it is more beneficial for you to sell the asset first and donate the proceeds to Baptist Health Foundation.
- Publicly traded securities may be transferred electronically from a brokerage account to Baptist Health Foundation.



# Bequests

A bequest is a gift from your estate—a transfer of cash, securities, or other property made through your estate plans. You can make a bequest by including language in your will or living trust, leaving a portion of your estate to Baptist Health Foundation.

## *Creating A Bequest*

There are several ways to create a bequest in your will. You can leave a specific amount, a percentage of your estate, or all or a portion of what is left after you have made bequests to your family.

## *Some Of The Advantages Of Creating A Bequest Include . . .*

- A bequest gives you the satisfaction of knowing you are helping to sustain the healing ministry of Baptist Health.
- You retain control and use of your assets during your lifetime.
- You may modify your bequest if your circumstances change.
- Gifts from your estate may be exempt from federal estate taxes.

## *Payable-On-Death Designation*

Setting up a payable-on-death (POD) designation on a bank account offers an easy way to keep money, even large sums of it, out of probate. A POD designation can be added to an account by requesting and completing a POD designation form from your bank. The account will go straight to Baptist Health Foundation, after your lifetime, bypassing probate court entirely.

## *Some Of The Advantages Of POD Accounts Include . . .*

- Like a trust, POD account designation avoids probate, but without the expense of a lawyer-drawn living trust.
- As long as you are alive, the person or charity you named to inherit the money in a POD account has no rights to it. If you need the money, or change your mind, you can name a different POD beneficiary or even close the account.

*\*Please consult your legal and/or tax advisor for more information and to determine if a charitable bequest to Baptist Health Foundation is right for you.*



## Retirement Plans & Life Insurance

Donating part or all of your unused retirement assets, such as your individual retirement account (IRA), 401(k), 403(b) or life insurance plan, is an excellent way to make a gift to Baptist Health Foundation. It is important to remember that estate and income taxes can consume a large portion of the money remaining in tax-deferred accounts such as IRAs and other qualified retirement plans after your lifetime.

Designating Baptist Health Foundation as a beneficiary of a 401(k), other qualified retirement plans or IRA may result in significant tax savings for your heirs. You can designate Baptist Health Foundation as the sole beneficiary, or one of multiple beneficiaries, of the remaining assets.

### Retirement Plans

If you are like most people, you probably will not use all of your retirement assets during your lifetime. The gift of a retirement plan can be a tax-efficient and simple way of including Baptist Health Foundation in your estate plan. One method is to name Baptist Health Foundation as a beneficiary on your plan's beneficiary designation form. Because charities do not pay income taxes on the donations they receive, eligible distributions to charities will avoid being taxed as income.

*\*Please consult your legal and/or tax advisor for more information and to determine if a charitable bequest to Baptist Health Foundation is right for you.*





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## *Baptist Health Foundation*

Baptist Health Foundation was established in 1961 to provide financial support to advance the healing ministry of Baptist Health. We strategically strive to connect philanthropy to purpose and strengthen Baptist Health's ability to provide lifesaving care. Together, with philanthropic partnerships, we have the power to transform the lives and well-being of our community.

Our Legacy for Healing Partners have the power to transform the lives and well-being of our communities. However you choose to support Baptist Health Foundation, your generosity is helping advance the future for healthcare in Arkansas.



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