



Linking Lives and Legacies

Where the care of the soul is the soul of care®

SUMMER 2016

Legacy by Example

Recently, The Lutheran Home Association honored Noah Metro as one of our "Care of the Soul" award winners. Noah used his seventh birthday party to create a charitable event. Instead of presents, every invitee was encouraged to bring a gift to support our mission to seniors in River Falls, Wis. Noah raised more than 75 dollars in honor of his birthday.

Noah shared that his interest came by visiting our ministry through a school field trip. He felt he could help others instead of the customary "birthday party." Although this idea was Noah's, he was obviously impacted by other examples. His teacher and school found our ministry and created an educational experience. His parents instilled certain values and set an example of love and compassion at home.

When you consider your legacy, what example do you want to leave? Is your charitable giving today a priority? A properly structured estate plan leaves a legacy by example.

We would be honored to be remembered in your estate plan.



Noah Metro, center, with his parents and siblings.

We are here to help! With your thoughtful support, you help lead by example.

Be it a seven-year-old child or a 77-year-old adult, we all have the opportunity to leave a legacy of love and charity.



In Christian love,

Michael R. Klatt
President and Chief Executive Officer



Visit plannedgiving.tlha.org or call us to learn how you can make a positive impact in our ministry. See contact information on Page 3.

A Gift of a Lifetime

3 Ways to Give From Your IRA

Your individual retirement account (IRA) is an excellent tool for saving for your retirement years. Even better, it's an extremely easy way to support the causes that matter most to you. And once you are retired, your IRA is an easy, worry-free way to support our ministry that doesn't affect your future financial security.

If you are between 59½ and 70½:

Once you hit 59½, you **may** begin taking money out of your IRA without paying a penalty. You'll pay income tax on the amount you decide to withdraw, even if you use this money to make a gift to our ministry. But if you itemize your tax deductions, you are eligible to take an income tax charitable deduction for the full value of the gift, reducing your overall tax bill.

If you are 70½ or older:

This is the age when you **must** begin taking the required minimum distribution from your IRA. If you don't need this income for your day-to-day expenses and would like the satisfaction of seeing your gift make a difference to those we serve today, you can make a contribution of up to \$100,000 to our ministry directly from your IRA. It's an easy way to make a great impact.



If you are any age:

You can support us with your IRA regardless of your age or financial needs during retirement by naming The Lutheran Home Association (TLHA) or Jesus Cares Ministries (JCM) as a beneficiary of the account. This costs you nothing today, and you retain complete control over your account during your lifetime. As a nonprofit organization, we do not have to pay income or estate taxes on the gift and can put 100 percent of your gift toward our mission.



To learn more about using your IRA to share eternal hope, provide hope and inspire hope, contact us at **(952) 873-4744** or **info@tlha.org**.

12 Ways to Make a Meaningful Difference



WEIGH YOUR CHOICES

We can help find the right giving option for you. Learn more about how you can meet your charitable goals with our FREE guide **12 Ways to Make a Meaningful Difference**. Simply return the enclosed reply envelope today!

Debunking Common Myths About Planned Giving

5 BEST KEPT SECRETS

[#1] MYTH: Planned gifts are too complicated and confusing.

Truth: There are many types of planned gifts—most are simple and affordable, like a gift in your will or living trust. You just need to find the one that best fulfills your goals. Simply contact us at (952) 873-4744 or info@tlha.org to discover the gift that works for you.

[#2] MYTH: My estate has to be large to make an impact.

Truth: By including The Lutheran Home Association (TLHA) or Jesus Cares Ministries (JCM) in your estate plan for any amount, you make a lasting impact and a tremendous difference. One option is to designate a percentage of your estate.

[#3] MYTH: I'm too young to think about making a will.

Truth: Planning your estate is an important step at any stage of your life. A simple meeting with an estate planning attorney can help you ensure that your intentions are carried out, and it can help establish a plan to receive the best tax benefits for your assets.

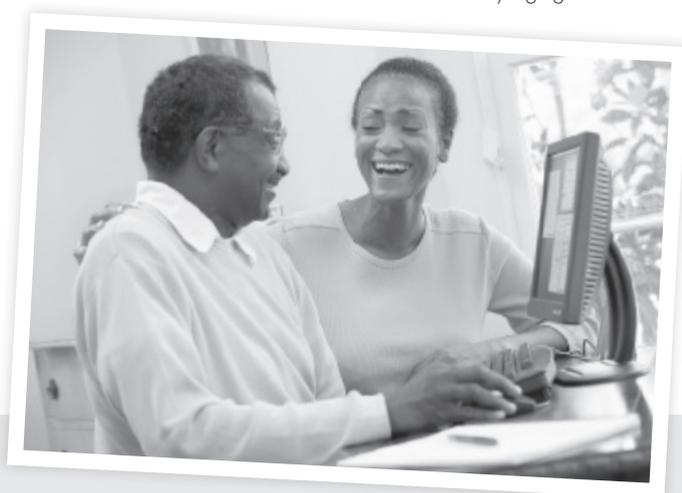
[#4] MYTH: Charitable giving's main benefit is to reduce your tax burden.

Truth: Research shows that 65 percent of people who donate to nonprofits do so because helping others makes them feel good.*

[#5] MYTH: A do-it-yourself will saves money.

Truth: A DIY will doesn't provide the expert legal advice you need to properly plan your estate. Work with an estate planning attorney and rest assured that his or her knowledge will save you money and hassle for your loved ones.

*2015 NMI Healthy Aging Database®



What Is Planned Giving?

Defined, planned giving is a way to support charitable organizations, like TLHA, by making gifts using your estate. It's also an excellent way to support a cause that matters most to you. These gifts require some planning and, often, help from your professional advisors. They can be made now to immediately support our needs or they can take effect in the future as a final way to leave your legacy.

TLHA Mission Advancement Staff

If you have additional questions about charitable giving solutions, visit plannedgiving.tlha.org or call one of our experienced Mission Advancement staff.

- Debra Dietrich, dkdietrich@tlha.org or (262) 490-5522
- Mark Hayes, mlhayes@tlha.org or (952) 873-4746
- Andrew Pevonka, ajpevonka@tlha.org or (920) 904-1628
- Pastor Curt Seefeldt, cseefeldt@tlha.org or (952) 873-4745
- Jeff Vinkemeier, jvinkemeier@tlha.org or (952) 873-4743

Based on a True Story

One Family's Estate Planning Journey

Protection for the People and Causes That Matter Most

Susan and John have four children, two of whom are from Susan's first marriage. With their family's future in mind, the couple recently decided to create an estate plan.

Susan and John considered the people and causes they wanted to support in the future. As an extension of their values, they felt it was important for them to designate part of their estate for a charity to which they regularly contribute.

While completing a questionnaire with a local estate planning attorney, Susan and John made time to discuss which family members and friends would hold important roles in their future as their executors, guardians for their children and powers of attorney for medical and financial matters. They talked with these individuals to make sure they could count on them to accept those responsibilities.

No Two Plans Are Alike

In creating their estate plan, their attorney took a comprehensive look at their life situation today and

addressed what it meant for their future. He created trusts for Susan and John's children, which is especially important for blended families like theirs. He then helped them understand how to incorporate giving to their favorite charitable organizations into their plan.

He helped the family discover a problematic issue with how their home was titled. If this had not been remedied, the property would have been subject to probate court costs and delays in the event that something happened to John.

Susan and John were pleasantly surprised by how affordable it was to put their plan together. They are also thankful for the peace of mind they gained in the process. Now they are prepared for the unexpected and know that the important people and causes in their lives will be supported in the future.

2 Simple Actions You Can Take Today

1 Visit plannedgiving.tlha.org to browse the many different tax-smart ways you can help those we serve.

2 **Contact us** if you'd like to walk through your giving options in person and at no obligation. We would be happy to help you.

THE LUTHERAN HOME
ASSOCIATION



Michael R. Klatt

President and Chief Executive Officer

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If you do not wish to receive this publication, please let us know. Simply contact us at 1-888-600-TLHA (8542), Ext. 4744, or info@tlha.org.

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Other Tax-Wise Giving Solutions

9 Savings bonds—When you redeem savings bonds, you typically pay income tax on the deferred interest. If you never redeem them, either your estate or the person who inherits them will have to pay the tax. The best way to bypass the tax burden and make a charitable gift is for you to update your will or amend your living trust and leave your bonds to us.

10 Retirement plan or IRA assets—Taxes can erode a significant portion of this gift when left to loved ones. Leaving these assets to a charity like ours is a tax-smart option. We can receive all that's left to us from a retirement plan or IRA. Leaving these same assets to your loved ones, however, can expose the assets to income taxes at their ordinary income tax rate.

If you would like to make an impact now and are 70½ years old or older, you can give up to \$100,000 from your IRA directly to a qualified charity such as ours without having to pay income taxes on the money.

11 Charitable lead trust—This charitable trust pays income to one or more charities, typically for a period of years, and then the remaining assets in the trust pass to noncharitable beneficiaries, such as family. Based on the circumstances, the type of property used and the intended beneficiaries, lead trusts can have significant estate or gift tax benefits.

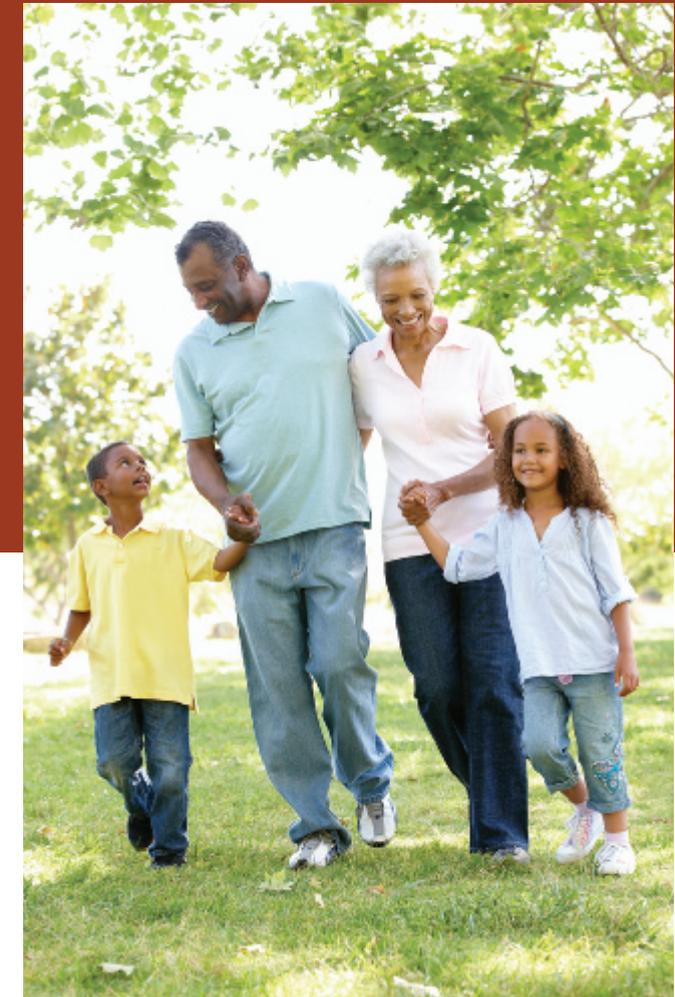
12 Real estate—Giving real estate allows you to make a meaningful gift with great tax benefits. You can donate real estate in several ways:

- » **Give the appreciated property directly to us.** This earns you an immediate tax deduction for its fair market value and eliminates the capital gains taxes when you've owned the real estate for more than one year. Completing the gift is as simple as transferring ownership via the real estate title.
- » **Make a gift through your will or living trust.** Made as part of your estate plan, this type of gift gives your estate an estate tax deduction and supports future generations.
- » **Consider a bargain sale.** This means we purchase the property from you for less than its current value. You are entitled to a charitable income tax deduction for the difference between the sale price and the fair market value, which reduces your capital gains taxes and provides you with cash from the sale.
- » **Donate your home but keep living in it.** Through a "retained life estate," you make a gift of your home and retain the right to use and occupy the property during your life. You also receive an immediate income tax deduction for part of your home's value.

It's Your Move

After reviewing these giving options, feel free to contact us about the gift that most interests you.

12 Ways to Make a Meaningful Difference



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THE LUTHERAN HOME
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Do the Most Good

Make the Greatest Impact With Your Gift

Many supporters like to make a gift to an important cause that matters most to them. There are several effective ways to share your generosity today and in the future. Take a look at the various options available to help you achieve your charitable goals.

Favorite Ways to Make a Gift

1 **Cash**—The most common gift you can make is cash. You have an immediate impact and we benefit right away. In return, you receive an income tax charitable deduction for the full value of the gift up to 50 percent of your adjusted gross income (AGI).

2 **Securities**—Stocks and publicly traded securities offer numerous tax advantages. You can:

- » transfer the stock to us electronically through your broker, or
- » send the stock certificate and a signed stock power for each certificate to us separately through the mail.

3 **Gift in your will or trust**—This is a simple, effective way to make a future gift. A single sentence in these documents is all that is needed to complete your gift to us. You can give a specific item, an amount of money, a gift contingent upon certain events or a percentage of your estate.

4 **Bank and brokerage accounts**—Most states allow you to designate a beneficiary for these types of accounts through a payable- or transfer-on-death designation.* Designating us as beneficiary of your bank or brokerage accounts is a simple and straightforward way to support our work. You are also free to change beneficiary designations at any time.

5 **Life insurance**—You may be wondering what to do with a policy you no longer need. Consider donating the policies to us or simply naming us as beneficiary.

6 **Endowments**—When you make an endowed gift with cash, securities or other assets, only a portion of its income will be spent, allowing the remaining amount to continue growing. That portion of your gift will supplement our programs forever.

7 **Tribute gift**—Remember someone special forever by making a gift to us. This is a powerful way to honor a loved one or recognize a specific program.

A Gift That Pays You

8 **Charitable remainder trust (CRT)**—A CRT will pay you either a variable or fixed dollar amount—depending on whether you choose a unitrust or annuity trust, respectively—each year for the rest of your life or a term of years (up to 20) from assets you place in a trust. At the end of the term, the balance in the trust goes to the charities of your choice. Plus, you are eligible for an immediate partial income tax deduction.



Retirement plan assets make up one of the largest portions of the wealth of many individuals. They also can be a flexible way to provide a charitable gift to our organization.

*State laws govern payable-on-death accounts and transfer-on-death accounts. Please consult with your bank representative or investment advisor if you are considering these gifts.



We're Here to Help

We are happy to answer your questions and provide you with helpful tips on doing the most good for our organization.

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