

Planned Giving

Creating a Legacy Gift
Through your Will or Trust
to the
Most Holy Trinity
Educational Trust Fund



The Most Holy Trinity Educational Trust Fund (ETF) was established in 1983 to provide a solid financial base for all educational programs within the parish. All interest earned on the corpus of the trust as well as up to 20% of new donations are available for immediate use in furthering educational programs in our parish. From 1986 through 2021, over \$1.7 million was disbursed to the Most Holy Trinity Parish from this fund. These ETF fund earnings have been used to maintain the school buildings as well as help fund educational programs including the following:

- ✚ Most Holy Trinity School which educates students in grades 1-8.
- ✚ Religious Educational Programs which offer programs for pre-school through adult.
- ✚ Youth Ministry Programs for students in grades 9 to 12.
- ✚ Adult Educational Programs.
- ✚ R.C.I.A. Program for new members joining the Catholic Church.

The purpose of this brochure is to briefly identify and explain the many different ways that you can include the ETF in your charitable giving through your estate. During the process of planning for the disposition of all accumulated assets to loved ones and to your important charities, arrangements for a legacy gift can be included in a written statement as part of your overall intentions. If carried out with discernment, a Legacy Gift to ETF becomes a beautiful expression of your deepest values and stewardship.

**It is a gift that will
last forever and
keeps on giving.**

WILLS

Methods of Giving Through Your Will

Giving through your will is one of the simplest ways to make a gift to the ETF. By having your attorney revise your will or add a single change, it is easy to make the ETF a part of your will. Following are six different methods in which you can include the ETF in your will.

1. Specific Dollar

State a specific amount in your will to be donated to the ETF.

2. Remaining Amount

After your loved ones have been taken care of, give the remaining amount to the ETF.

Example: You may designate that each of your children will receive \$50,000 and the remainder of the estate will be donated to the ETF.

3. Contingent Beneficiary

Name the ETF as a contingent beneficiary in case one or more of your heirs do not survive you. Under this arrangement the ETF will receive the amount that had been planned for the deceased heir.

4. Heir

Name the ETF as an heir to receive an equal portion of your estate as each of your heirs. This method would be like adopting the ETF as one of your children.

5. Percentage

Give a percentage of your estate in your will to the ETF. For example, you may want to donate 10% of your estate to the ETF with the remaining estate divided among your heirs.

6. Property

Give the property you own to the ETF through your will. Gifts of property can be almost anything of value. Examples are real estate, vacation cottage, stock or other securities, coin, art, stamp or antique collections, etc. This type of gift would be subject to right of refusal.

Naming ETF as Beneficiary

- 1. Life Insurance Proceeds.** . . can be gifted by naming the Educational Trust Fund as the beneficiary or you can identify a specific portion of the life insurance proceeds to be given to the ETF. This is a great way to make a gift to the ETF at the small cost of the premiums. Example: If you would like to donate \$100,000 to the ETF but do not want to reduce your estate by a donation that large, you could purchase a \$100,000 life insurance policy and name the ETF as the beneficiary. This way your heirs will receive your full estate, but you will also have made the donation to the ETF that you had always dreamed of making. Some Catholic Fraternal Life Insurance companies offer a Fraternal Legacy Rider which provides an additional 5% death benefit contribution (at no additional cost) to your favorite Catholic Charity. The ETF can be identified to receive the proceeds from this rider.
- 2. Individual Retirement Accounts IRA, 401k and 457 Deferred Income Accounts.** . . can be donated to the ETF. Example: If you have invested in a 401(k) plan over the years, you could change the beneficiary on the 401(k) account to the ETF. Upon your death, the balance remaining in the 401(k) account would be donated to the ETF. Income taxes may be avoided when the ETF is named as a direct beneficiary.
- 3. Employee Pension or Profit Sharing Plans.** . . may allow a charitable beneficiary to be named. If your retirement plan is set up that way, you could provide the ETF with a continuing long term charitable contribution by naming the ETF as your beneficiary on your retirement plan. Consult your employer's retirement experts for specific guidelines.

Trusts

A trust can be a very efficient method to manage and distribute your estate to your beneficiaries and charities. A trust is a legal arrangement under which you place property and appoint a person or institution to control that property for the benefit of one or more beneficiaries.

Advantages of Trusts are outlined below.

A trust allows:

- ✚ you to maintain control of your property during life and after death
- ✚ continued management of your assets even if you are incapacitated
- ✚ estate taxes to be reduced and minimized
- ✚ financial information to remain private (This is a benefit of avoiding probate)
- ✚ the avoidance of probate and its costs
- ✚ control of the distribution of your property and income
- ✚ management of property for beneficiaries

Methods of Giving Through a Trust

Revocable Living Trust

A revocable living trust allows you to pass property to loved ones while avoiding probate costs. You maintain control over the assets in the trust during your lifetime, but you can specify that a portion of your assets in the trust be donated to a favorite charity such as the ETF when the trust is terminated. This type of gift would be deductible from estate taxes and could be delayed until all of your family members have been provided for. The terms of the trust are kept secret because there is no public record when probate is avoided.

Example: Don and Mary established a revocable living trust through which their assets will pass to their heirs as part of their estate planning. They decide to have most of their property held in trust and managed for the benefit of their children until the youngest child reaches age 23 at which time the trust will terminate. They also want to make a contribution to one of their favorite charities, the ETF. They provide in the terms of the trust that 5% of the assets will be distributed to the ETF when the trust is terminated.

Charitable Remainder Trust

A charitable remainder trust allows you to receive income for yourself from your property for life or for a stated period of time. Your assets are held separately and invested. From these investments a payment of a fixed or regular income to you or someone else you name can be made. This can be an excellent supplement to your retirement plan. The payments you receive each year will be at least 5% of the amount placed in the trust. The exact amount is determined by you when the plan is created. An income tax deduction is allowed at the time you create your trust. Its size depends on your age, payment percentage, and other factors.

When the trust ends (at the death of the income recipient or at the end of the period you specify), whatever remains in the trust will be distributed to your favorite charity, such as the ETF, if you identify it as a charitable recipient.

Life Estate Arrangement

Using a Life Estate Arrangement, you may make a gift of your HOME or FARM now to the ETF but retain the security of knowing you and your spouse may live in your home as long as you wish. Donating your property by deed saves unnecessary expenses since it does not pass through probate at death.

Example: *You could deed over the title of your home to the ETF under the Life Estate Arrangement, but you and your spouse will live in your home until death, at which time your home will become property of the ETF.*

Memorial Request to the ETF

All of the methods mentioned of giving to the ETF can include an enduring tribute to a family member or other loved one. Gifts made in memory of loved ones are gifts of lasting significance.

Example: *Mr. Smith had always supported the ETF over the years. After his death, his wife wanted to honor her husband's memory by making a lasting donation to the ETF in his name. Therefore, she decided to make a specific \$20,000 donation to the ETF in her husband's name by amending her will to make that donation.*

Taxes

Most Holy Trinity Educational Trust Fund is a nonprofit tax exempt public charitable organization.

Income Taxes

Cash gifts made to nonprofit organizations may reduce your federal income taxes at the time of the gift. Longterm appreciated property that is gifted to nonprofit organizations may also avoid capital gain taxes at the time of the gift. You should consult with your tax advisor to identify potential tax savings by giving to the ETF.

Federal Estate Taxes

Your lifetime accumulation of assets may be subject to federal income taxes as high as 50% at death. Through careful planning, however, it can be possible to pass all or a significant portion of property on to your beneficiaries free of federal estate taxes. A well constructed estate plan can result in a contribution to the ETF as well as an income for yourself or others while also reducing estate taxes. You should consult with your tax advisor or estate tax attorney for advice on how you can reduce your estate taxes by giving to the ETF.

How Do I Make a Change to My Will?

Making a change to your will is very simple, easy and inexpensive. A codicil is the document that is used to make changes to your will. This document is prepared and attached to your will. An attorney can prepare a codicil for you for a minimal fee.

If the ideas presented here interest you

...it is recommended that you discuss your plans with a professional advisor, accountant or attorney. The Catholic Foundation at the Diocese of Lansing is another resource to help with Legacy Gift Planning. Using the Catholic Foundation, ETF or other charitable organizations, can be specified to receive your legacy gifts. Also, feel free to contact any of the Most Holy Trinity Educational Trust Fund trustees or the Most Holy Trinity Parish office and they will gladly assist you in obtaining additional information. The parish office phone is (989) 593-2162.

**A Legacy gift to the
Most Holy Trinity
Educational Trust Fund
through your will is a
testimony of your faith
and Catholic heritage**



**Contact the Parish office
for more information
989-593-2162**

**Most Holy Trinity Parish
545 North Maple St.
Fowler, Michigan**