Beaumont Health Foundation

Insights

Important News for Beaumont Health Foundation Supporters

April 2021

COMING SOON ... Join the Beaumont Legacy Challenge with Matching Funds

Planned gifts are an important source of funding for Beaumont and are wonderful ways to give. However, the impact of these gifts is not immediate. The matching opportunity of the Beaumont Legacy Challenge can have an impact now on Beaumont for a program area or project that you are interested in supporting.

If you document a new gift to Beaumont in your will or other planned gift arrangement, you can direct matching funds, provided by Beaumont, to be used currently for the same purpose you have designated for your planned gift. It is a way for you to experience an immediate beneficial impact on the program area or project that you are interested in supporting.

The pool of Beaumont matching funds is **$1 million.** Beaumont will match an amount equal to **10 percent** of the amount of your planned gift.

- For any one gift, the matching funds are subject to a cap of $100,000.
- The planned gift must be new and have a minimum value of $100,000.
- Documentation requirements will be in accordance with Beaumont's policies.
- Subject to your consent, you will be recognized for your gift.

Some examples of how the Beaumont Legacy Challenge works are:

- If your planned gift is $100,000, Beaumont will provide a match of $10,000.
- If your planned gift is $500,000, Beaumont will provide a match of $50,000.
- If your planned gift is $1 million, Beaumont will provide a match of $100,000.
- If your planned gift is greater than $1 million, Beaumont's match is limited to $100,000.

The Beaumont Legacy Challenge for **new** gifts begins May 1, 2021 and ends April 30, 2022.

To learn how your planned gift can make an immediate impact today, visit www.beaumont.org/giving or call or email: Terry O. Lang, Vice President, Planned Giving*, Beaumont Health Foundation, 947-522-0085, terry.lang@beaumont.org

**Terry will direct your inquiry to an appropriate gift officer who will respond to your inquiry.*

Charitable Planned Giving ... Time for a Fresh Look

A planned gift is usually made as part of an overall financial plan and often referred to as a deferred gift. However, in some circumstances, the benefit to a charity can be in the near term. Many donors consider making a blended gift that is a combination of a current gift and deferred gift.

- Gifts can be simple, such as **bequests** or a **beneficiary designations** of life insurance or retirement assets.
- Gifts can be revocable or irrevocable.
- Plans are usually made with family participation and take into consideration intergenerational gift planning.
- Some charitable gifts, such as a **charitable gift annuity** or a **charitable remainder trust**, provide for lifetime income to a donor or a donor's family that can be flexible based on the needs of the donor.
- Other lifetime charitable gifts are more complex, such as a **charitable lead trust** or a **retained life estate.**
- Gifts can produce significant tax savings that reduce the cost of the gift, and intergenerational gift planning can leverage higher savings.
- Retirement assets and appreciated property can be good sources for charitable gifts because of tax savings.

Maybe you have implemented a planned gift, thought about making a planned gift, or are new to the idea of a planned gift. Obviously, the COVID-19 pandemic has made changes in our lives. Other things are happening too, such as financial market fluctuations, unusually low interest rates, and tax law changes.

Now is probably a good time to look at your financial plan including your philanthropic goals.

The fluctuating financial markets bring focus to using appreciated securities for charitable gifts. Unusually low interest rates provide opportunities to save substantial amounts of estate tax.

Changes in the tax law can create new and different charitable gift opportunities.

- The resumption of required minimum distributions (RMDs) in 2021 presents an opportunity for donors age 70 ½ and older to make **qualified charitable distributions (QCDs)** from individual retirement accounts (IRAs) that can offset all or some of the tax effects of the RMDs.
- Recent limitations on the ability to "stretch" payments to younger generations from an inherited IRA can be ameliorated using a charitable gift annuity or a charitable remainder trust.
- Some of the proposed federal tax law changes could have a significant impact on charitable gift planning.
  - Higher proposed individual tax rates would increase the value of a charitable deduction.
  - Conversely, capping the value of the deduction would decrease its value.
  - If long-term capital gains become more highly taxed, the advantages of a contribution of appreciated property would increase.
  - The elimination of "stepped-up" basis of appreciated property at death would likely have an impact on the choice of assets used for charitable giving.
  - Changes to the estate tax seem inevitable, particularly relating to the possible reduction of exemption from tax to $5 million or even down to $3.5 million.

This year, 2021, seems like a good year to keep a watchful eye for tax law changes and other factors that will affect financial plans and philanthropic goals and create planning opportunities.

Please share your email address with us so we can send *Insights* to you electronically in the future.
Respond to: BeaumontFoundation.President@beaumont.org.