

Church of St. John the Evangelist

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December 11, 2011

Dear Faithful Parishioners,

Even during the up-and-down gyrations of the financial markets, and even with the recessionary forces that have caused many of our family and friends to lose their jobs and homes, we have the hope that all of our futures will hold peace and happiness – this is the Christmas message. In this season of giving, I encourage you to think also of giving to your parish church and school not just now but in the future.

I invite you to read the following information about the many ways available for you to make a donation. This information is provided by The Catholic Foundation of the Diocese of Sacramento. It is presented here for general information and educational purposes only. It is not intended to be a substitute for personalized legal and tax advice about the topics discussed. Please contact your own qualified legal or tax advisor to obtain professional advice tailored to your individual circumstances and goals.

Immediate Outright Gifts

Cash

Cash gifts are tax deductible if the donor itemizes deductions. Up to 50 percent of adjusted gross income can be deducted in any one year. A donor may claim excess deductions over the five tax years following your gift.

Matching Gifts

Donors are encouraged to contact their employer to take advantage of any matching gift programs offered. Having an employer match a gift leverages it to a higher level.

Appreciated Securities

A popular way to make a gift and earn some tax breaks is through a gift of appreciated securities. The IRS allows a deduction of the full value of this type of gift up to 30% of adjusted gross income. Deductions can be claimed over the five tax years following a gift. Moreover, a donor can also avoid capital gains tax on the transfer. This double benefit means the donor can leverage a larger donation by using appreciated securities rather than cash to make your gift.

Real Estate

Gifts of real estate may save thousands of dollars in income, estate, and capital gains taxes, while providing a substantial benefit to the church. The Catholic Foundation can accept gifts of residential, commercial or undeveloped real estate. A charitable income tax deduction is based on the fair market value of the property, with no capital gains liability on the transfer. The donor is freed from paying real estate taxes, liability insurance and maintenance costs on the property.

Personal Property

Donors may opt to make gifts of personal property that has value. For example, a donor may choose to contribute artwork, antiques, jewelry, motor vehicles, equipment and other items to the church. If considering such a gift, please call the Foundation first, as what you choose to donate may impact the amount of your charitable deduction.

Deferred Gifts

One of the greatest gifts we can give to our families is the gift of planning our estate. With a properly executed will, the necessary powers of attorney, and possibly a trust, we can assure our family members that they will not be forced to make difficult decisions at a difficult time. Moreover, we can be assured that our own wishes will be followed. Through these legal documents we can provide for our family members, and we can also provide for gifts to our church and other charities.

Bequests in Wills and Living Trusts

A charitable bequest is a gift given to the church through a will or living trust. Charitable bequests can include anything of value in your estate such as cash, stock certificates, jewelry, real estate, antique furniture, etc. A charitable bequest or trust distribution is deductible for federal estate tax purposes, and there is no limit on the deduction an estate can claim. If the will or living trust already exists, a gift amendment can be made without rewriting the entire document. An attorney can prepare a codicil to the will that adds a new bequest to the church. Similarly, he or she can prepare an amendment to your living trust to add the church as a beneficiary.

Retirement Assets

When an estate is planned, it may seem natural to designate a family member as the beneficiary, and use other assets to make a charitable gift. However due to tax consequences of tax-deferred assets at death, using retirement assets to make a donation to the church and leaving other assets to heirs can often provide the ability to leave more to heirs. Since the church is a non-profit organization, it will not pay income tax on the distribution (nor will the gift be subject to estate tax). The entire amount comes to the church and heirs may benefit from a reduced estate tax burden.

Life Insurance

There are two common ways to use life insurance to make a gift. First, policies for which the original purpose is no longer applicable (e.g., college education for a child who has graduated), can be given to the church. When the policy is transferred, an immediate tax deduction is received. Upon death, the death benefit of the policy will be given to the church. Second, new policies can be purchased and the church named as owner and beneficiary of the policy. By naming the church as both beneficiary and owner of the policy, all the premiums could be claimed as a charitable deduction. Upon the insured's death, the church would receive an amount equal to the face value of the policy.

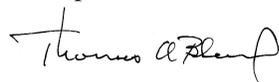
Charitable Remainder Trust

If seeking a way to make a charitable gift to the church while retaining future regular income and also taking advantages of tax savings, a donor might consider a Charitable Remainder Trust. Trusts can be established with cash gifts, but more often consist of highly appreciated stock, real estate or closely held business interest. There are five types of charitable remainder trusts; each offers different advantages to the donor as well as the recipient.

For more information, including legal wording, you or your financial advisor should not hesitate to contact the foundation coordinator, Dawn Moore, at The Catholic Foundation of the Diocese of Sacramento, Inc., 2110 Broadway, Sacramento, CA 95818; Phone: (916) 733-0266; Fax: (916) 733-0224; www.tcfscac.org . Dawn can also provide information about Charitable Gift Annuities (not discussed above).

Thank you for your consideration of this important matter.

In the peace of Christ,



Fr. Thomas A. Bland
Pastor