

# Scripps Heritage Planner

An Income, Estate and Gift Tax Newsletter for Professionals  
from the Office of Gift Planning at Scripps Health Foundation

Fall 2012

## **MATCH GAME:**

### **What Is the Right Asset to Give to Charity?**

IN THIS ISSUE:

Specific criteria for judging the differences of particular assets, including:

- Cash
- Securities
- Retirement Accounts
- Real Estate
- Tangible Personal Property

[www.scrippsheritage.org](http://www.scrippsheritage.org)



Scripps Health Foundation

## **Our Services**

The Office of Gift Planning at Scripps Health Foundation is available as a resource to estate planning professionals. Our office will provide these services at no cost or obligation:

- *Immediate Telephone Consultations*
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- *Summary of Benefits*
- *Flow Charts and Graphs*
- *Private Client Meetings*
- *Presentations at Your Office*
- *Seminars for Clients*

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Please visit us online at [www.scrippsheritage.org](http://www.scrippsheritage.org) to find many helpful tools, calculators and links to tax laws and articles. You may also sign up easily for our weekly eNewsletter on our web site.

### **Upcoming Gift Planning Luncheon Seminars**

#### **Estate Planing Across Borders**

Wednesday, September 12, 2012

#### **Make the Most of the Gift and Estate Tax Exemption: Charitable Lead Trusts and Other Strategies**

Wednesday, October 3, 2012

#### **Advance Health Care Directives: From Planning to Implementation**

Wednesday, November 28, 2012

All presentations will take place from noon to 1:30 pm  
at the Founder's Room, Schaetzel Center for Health Education

**Scripps Memorial Hospital La Jolla**

9888 Genesee Avenue

La Jolla, CA 92037

See back cover for further information about these educational opportunities.



**David E. Williams**

*Senior Director of Gift Planning*

858-678-6359

[williams.dave@scrippshealth.org](mailto:williams.dave@scrippshealth.org)

**Natalie Ganz**

*Director of Gift Planning*

858-678-6344

[ganz.natalie@scrippshealth.org](mailto:ganz.natalie@scrippshealth.org)

# Match Game: What Is the Right Asset to Give to Charity?

There are certain combinations that are considered classics—things that complement each other so well you can't imagine them apart. For example, a peanut butter and jelly sandwich (with or without the crusts). Or, as Frank Sinatra crooned, how love and marriage go together like a horse and carriage.

Charitable giving has its own classic combinations: planned gifts funded with particular assets that work well together. Choosing the best asset to fund a charitable gift depends on the rules that govern charitable contributions as well as the donor's unique circumstances. The key is to discover what the donor owns and what tax and financial advantages the donor can realize by donating a certain asset.

In this newsletter, we outline criteria for selecting the right asset and provide some examples of classic combinations. Though not comprehensive, the discussion does highlight ideas to help donors meet philanthropic goals.

## Ground Rules

To identify classic planned giving combinations, we first need to specify important rules for how a donor deducts a contributed asset. From the perspective of the donor, the answer to the question of what makes an asset the right one to give to charity lies in what gives the donor the most effective tax deduction for the charitable contribution of that asset.

### *Reduction Rules*

Generally speaking, a donor can take an itemized federal income tax deduction for a charitable contribution of property at its fair market value.<sup>1</sup> However, this deduction must be reduced by the amount which would be considered ordinary income if the donor had instead sold the property.<sup>2</sup> The reduction rules are for income tax deductions only and do not apply to the gift or estate tax charitable deduction.

### *Percentage Limits*

In the year of the charitable contribution, the donor can take an itemized deduction for income tax purposes.<sup>3</sup> However, this deduction is limited to a percentage of the donor's adjusted gross income (AGI) for that tax year.<sup>4</sup> Any excess value of the contribution not deducted can be carried over into subsequent years (up to five).<sup>5</sup> The percentage limits do not apply to the gift or estate tax charitable deduction. For purposes of this discussion, we will presume the gift is made to a public charity (also described as a 50% charity).<sup>6</sup>

### *Appraisal Requirements*

Generally speaking, a contribution of property worth more than \$5,000 requires an appraisal made by an

independent and qualified appraiser to establish the value for deduction purposes.<sup>7</sup>

## Matching the Asset and the Gift

### Cash

#### *Basics*

The "cash" category includes contributions made by check, credit card, or even text message.<sup>8</sup> Donors tend to give cash more often than property gifts because cash contributions are simple to complete.

Some donors make modest gifts with cash—either a small contribution made on an impromptu basis or a moderate-sized contribution made with money set aside every year. At other times, donors make substantial cash donations. This can happen when the donor has more cash on hand than usual (e.g., realized stock options, bond redemption, life insurance benefit, performance bonus at work, even lottery and gambling winnings).

People who receive a cash windfall usually have definite ideas about how to spend the money. But once financial security needs are met, including retirement planning, many people look outwardly to help others. This is when charitable giving becomes a part—perhaps a significant part—of how to use the money. And a practical reason to give to charity is to offset the impact of the increased income tax generated by the windfall.

#### *Limitations*

For gifts of cash, the limitations are few. In the year a donor makes a gift of cash, the donor can deduct the amount up to 50% of AGI if the gift is made to a public charity. Of course, the reduction rules do not apply to gifts of cash, and no appraisal requirement is necessary (simply put, cash is what it is).<sup>9</sup>

#### *Gifting Matches*

The obvious choice is a straightforward gift of cash. Donors often satisfy a charitable pledge with an outright gift of cash, or use cash to pay premiums on a life insurance policy to ensure a pledge will be paid.

A cash gift can also establish a life income gift such as a gift annuity or charitable remainder trust, though there are reasons why other assets may be a better option (as we will discuss below). Even though cash may not be the best choice to fund a life income gift, it could be an essential part of a life income gift. For example, a cash contribution is often necessary to properly fund a charitable remainder unitrust with a flip provision.<sup>10</sup> During the period of time before the trustee sells a non-income producing asset, cash is necessary to pay trust administration fees and expenses associated with property ownership.

## A Charitable Contribution Makes a Timely Deduction

There are certain times when a person (or married couple) strategically realizes income by selling small cap stock in order to move into more conservative investments, or converting a traditional IRA into a Roth IRA. When there is more income, there is more need for a deduction to offset the income tax liability. The decision to make a charitable contribution can be an effective way to match philanthropic and financial planning goals.

## Securities

### Basics

Charitable gifts of securities are often publicly traded stock, but bonds, mutual fund shares and closely held stock are also given as charitable gifts. In our current financial world, many people own some type of security (usually shares of stock) either outright or through a mutual fund. This means that a charitable gift of securities is always a possibility. A particularly good time for a charitable gift of a security is following a risk reallocation in the donor's investment portfolio. Instead of selling the security, the donor could give the security to charity.

There are two primary classifications of securities for capital gains tax purposes: short-term (held for less than a year) and long-term (held for one year or more).<sup>11</sup> A gift of a security classified as short-term can be deducted at cost basis.<sup>12</sup> A gift of a long-term security can be deducted at fair market value.<sup>13</sup>

A gift of a long-term security offers two key advantages. First the charitable deduction for the gift of the security is the fair market value on the date of its contribution.<sup>14</sup> Second, and potentially more important, is that the donation of the long-term security allows the donor to avoid capital gains tax.

### Limitations

In the year a donor gives long-term securities, the donor can deduct the contribution up to 30% of adjusted gross income (AGI).<sup>15</sup> A gift of short-term securities can be deducted up to 50% of AGI—the same as a cash gift. The donor can elect to give a charity long-term securities, but to deduct the gift as if it were short-term securities.<sup>16</sup> This may be an attractive option when the amount of appreciation on the securities is relatively small and/or the donor would like a larger deduction for that year.

Generally speaking, a gift of property requires an appraisal if its value is \$5,000 or more. However, there are two significant exceptions for a gift of securities: One, a gift of publicly traded securities does not need an appraisal since its value is measured by selling prices on

that day.<sup>17</sup> And, two, nonpublicly traded stock with a value of less than \$10,000 does not need an appraisal.<sup>18</sup>

For a gift of closely-held stock that does need an appraisal, the appraisal must account for certain factors, including:

- The market price of stocks of corporations engaged in the same or similar kind of business.
- The book value of the stock and the financial condition of the business.
- The earnings and dividend-paying capacity of the business.
- Sales of the stock and the size of the block of stock to be valued.
- The economic outlook for the industry and the particular business.<sup>19</sup>

## Applying Both the 50% and 30% AGI Limitations in the Same Year

What happens during a tax year when a donor makes both a gift of property held long term subject to the 30% of AGI limitation and a gift of cash subject to the 50% of AGI limitation? Which limits apply and how?

Both AGI limitations continue to apply. The overall limit or ceiling remains 50% of AGI—it is not possible to deduct a cash gift up to 50%, then deduct a separate property gift up to 30%.

Here, the property gift would be deducted up to 30% of AGI. Then, the cash gift would be deducted until a maximum deduction of 50% of AGI is reached. For both types of gifts, any unused portion of the deduction may be carried forward for up to five additional years.

## Gifting Matches

A gift of appreciated securities held in the long term to fund a charitable gift annuity may be a good match because the donor can spread out the capital gain on the annuity portion of the charitable gift annuity over life expectancy.<sup>20</sup>

The appropriate type of security to fund a charitable remainder trust depends on the type of trust and the donor's income needs. Bonds can be a good choice to fund a charitable remainder annuity trust, especially if the payout equals the coupon rate of interest. If the donor uses municipal bonds and the trustee keeps the bonds rather than sells them, then the annuity amount would be tax-free to the non-charitable beneficiaries.<sup>21</sup>

A non-grantor charitable lead annuity trust (CLAT) can be funded with securities expected to increase in value.

At the time the CLAT is formed, the applicable federal rate (AFR) determines the value of the charitable gift. When the AFR is low, the CLAT income interest to charity is greater and the remainder interest (which is a taxable for gift tax purposes) is lower. Thus, the excess appreciation essentially becomes a tax-free transfer to the family members when the trust term ends.<sup>22</sup> Note that the AFR reached a historic low of 1.0% in August 2012.

## Retirement Accounts

### Basics

Individuals saving for retirement likely own an Individual Retirement Account (IRA) or a tax-deferred retirement plan account such as a 401(k). There are rules and limits on how much one can save for retirement using these accounts, when the distributions are made and how the distributions will be taxed.<sup>23</sup>

The tax-deferral aspect of IRAs and qualified retirement plans is a clear benefit for the owner, but also possibly a tax problem when it is time to make distributions. People rely on these accounts to provide income in retirement, and expect to pass on what they don't use to loved ones. But for many donors, drawing upon these assets for charitable gifts may be a tax-efficient option.

### Limitations

Generally speaking, a lifetime charitable gift using retirement assets as a direct donation to the charity is not possible without the owner first taking a taxable distribution from the account. The IRA Charitable Rollover was an exception: a distribution directly from an IRA to a qualified charity was not considered income to the donor.<sup>24</sup> Unfortunately, Congress made the provision temporary and it is not currently in effect. However, Congress renewed the IRA Charitable Rollover in 2008 and 2010, and may do so again in 2012.<sup>25</sup>

### Gifting Matches

Naming the charity as a beneficiary of an IRA or qualified retirement plan account is an attractive way to make a testamentary charitable gift. Using the beneficiary designation option, the owner designates the charity as the beneficiary for the retirement plan or IRA. This designation controls the distribution of the account (instructions left in a will or trust have no effect if the asset is not left to the estate or the trust). The plan or account administrator will have a beneficiary designation form for the owner to complete. Making the charity the beneficiary of the IRA or retirement plan is the straightforward way to donate those assets to charity.

The advantage of leaving retirement accounts to charity rather than family and/or loved ones is avoiding the problem posed by income in respect of a decedent (IRD). IRD is income earned by a decedent or income to which the decedent had a right prior to death, but

which was not properly includible in his or her gross income prior to death. IRD is generally includible in the gross income of the recipient and also includible in the estate, resulting in double taxation of the IRD amounts. This issue is lessened because the recipient may deduct as an itemized deduction the federal estate tax paid by the estate that was attributable to the IRD (the deduction is not limited to the 2% floor). This becomes even more complicated with multiple IRD beneficiaries. Instead, the testator might plan to leave IRD property, such as a retirement account, to charity, and leave other assets to family members.

## Real Estate

### Basics

Despite the economic downturn which depressed the value of residential and commercial property, real estate remains an asset most often held long term with great potential for charitable giving.

### Limitations

The donor can deduct a contribution of real estate for the fair market value if held for the long term. Otherwise, the deduction will be limited to cost basis. The recapture of the depreciation deduction previously taken by the owner is considered ordinary income property.<sup>26</sup>

A contribution of real property held in the long term can be deducted up to 30% of AGI in the year it is contributed.<sup>27</sup> A contribution of property held in the short term can be deducted up to 50%.

An appraisal is necessary to place a value on the real estate. The value is based on its "highest and best use," which may be different than the donor's purpose or the how the charity would actually use it.<sup>28</sup>

Plus, the charity will likely require documentation before accepting a gift of real estate (e.g., environmental review, a clear title search). Charities have gift acceptance policies which outline specific conditions for accepting a gift of real estate. Consultation with the development office is necessary before initiating such a gift.

### Gifting Matches

A charitable gift of a remainder interest in a personal residence or farm is a possibility for a donor interested in making a significant contribution without a change in personal lifestyle.<sup>29</sup> Personal residence includes the principal residence, a vacation home, or condominium.<sup>30</sup> A farm consists of land used to produce crops, agricultural products or livestock sustenance.<sup>31</sup> It includes barns, farmhouses and improvements.<sup>32</sup> The donor receives an income tax charitable deduction for the discounted present value of charity's future interest.<sup>33</sup> This remainder value is determined using the value of the land and improvements, but must be reduced by the value of the life use of the property by the donor.<sup>34</sup>

A conservation easement is a restriction on the property that will keep the property in a certain state to be enforced by the charity holding the easement. A donor may take a charitable deduction for contributing a perpetual restriction on real property such as an easement or a restrictive covenant.<sup>35</sup>

Keep in mind that a conservation easement can only be granted to governments and publicly supported charitable organizations.<sup>36</sup> Conservation purposes include public recreation or education, protection of environmental systems, and/or preservation of open space.<sup>37</sup>

Flip unitrusts are often used with real estate. The sale of the real estate is the event which “flips” the net-income charitable remainder unitrust into a straight unitrust.<sup>38</sup> The trustee uses the proceeds of the sale to invest in income-producing investments.

## Tangible Personal Property

### Basics

Tangible personal property (“TPP”) is defined as property that can be physically touched, excluding land and improvements (buildings and permanent structures).<sup>39</sup>

Examples of TPP include:

- Antiques
- Artwork
- Precious gems and metals
- Stamp and coin collections
- Motor vehicles

Charitable gifts of TPP usually come from the collection of a donor—the donor purchased the property to be part of a whole, and the items are expected to increase in value. These TPP collections are managed, and there will be times when a donor wants to make a lifetime gift of an item for any number of reasons.

### Limitations

Like other assets, a contribution of TPP held in the long term can be deducted up to 30% of AGI in the year it is contributed. A contribution of TPP held in the short term can be deducted up to 50%.

The donor can deduct a contribution of TPP for the fair market value if held for the long term. Otherwise, the donation is limited to cost basis.

The related-use rule is another requirement the donor must meet in order to deduct the fair market value of the TPP. This rule states that if the tangible personal property is unrelated to the charity’s exempt purposes, the deduction must be reduced by the amount of gain that would have been considered gain had the property been sold at its fair market value.<sup>40</sup>

Furthermore, if the charity disposes of the item within three years of its contribution, the donor is subject to

an adjustment of the tax benefit according to the following schedule:

- If the charity disposes of the property in the same tax year the gift is made, the donor’s deduction is the basis.
- If the charity disposes of the property in year two or three after the contribution, the donor must include as ordinary income for the taxable year in which the disposition occurs an amount equal to the excess (if any) of the amount of the deduction over the donor’s basis in the property at the time of the contribution.<sup>41</sup>

There is an exception made if the charity certifies in a written statement either that the property had a related use function and was actually used in that capacity before its sale, or that the intended use of the property at the time of contribution became impossible or infeasible to implement after such gift.<sup>42</sup>

In addition to the general requirement that all property valued at more than \$5,000 have a qualified appraisal, certain types of property require additional or specific documentation. For instance, gifts of artwork require photographs and attachment of the appraisal itself. Further, due to abuse in claiming deductions, gifts of motor vehicles can be limited to the sale price the charity realizes at a subsequent sale.<sup>43</sup>

### Gift Matching

Like a gift of appreciated stock or real estate, there are advantages to giving tangible personal property held long term. However, a donor must be careful to observe the related-use rule. Consider the possible problems created by gifts of tangible personal property made as either a charitable remainder trust or a qualified partial interest gift.

Generally, funding a CRT with a tangible personal property interest is only appropriate when the trustee has the discretion to sell the property and reinvest the proceeds. An inter-vivos CRT funded with tangible personal property runs into federal income tax deduction problems because the gift is technically a future interest gift in the tangible personal property. The donor cannot claim an income tax charitable deduction immediately; the income tax charitable deduction is deferred until the intervening interest of the donor or any family members have expired.<sup>44</sup>

If the charitable gift is of an “undivided portion a taxpayer’s entire interest in property” then the donor can take a deduction.<sup>45</sup> The charity’s interest must:

- Consist of a portion of each and every substantial right or interest owned by the donor; and
- The interest must extend over the entire period of the donor’s interest.<sup>46</sup>

Although a donor cannot currently deduct a gift of a future interest, the donor may "time-share" tangible personal property with a charity and secure a current charitable deduction.<sup>47</sup> For example, a donor may donate to a university the right to exhibit a painting for that portion of the year which coincides with the academic year, and reserve the right to possess and enjoy the painting during the balance of the year. The charity's right to possess and display the painting during a defined portion of the year generates a charitable deduction for the donor.

However, the donor must contribute all remaining interest in such property to the same charity before the earlier of 10 years from the initial fractional contribution or the donor's death.<sup>48</sup> If this requirement is not met, the charitable income and gift tax deductions for all prior contributions of interests in the item shall be recaptured (plus interest). The same penalty applies in the event that the charity fails to either take substantial physical possession of the item or put the item towards a related use during the same 10 years.<sup>49</sup>

## A Perfect Match

A classic combination like a peanut butter and jelly sandwich seems like a natural, but finding a match in planned giving is not so obvious. Professional advisors know they have to be ready to discuss how a potential gift impacts the donor's situation—retirement, estate planning, insurance, future financial needs, taxation, etc. Philanthropy is a regular part of donors' everyday lives so it makes sense to include charitable giving in the planning process. Keep in mind there are more ways to give to charity than your client might imagine. The clients will appreciate how well the choice of a certain asset makes sense both for the charity and for themselves.

## ENDNOTES

- 1 Reg. Sec. 1.170A-1(c)(2): "The price at which the property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or sell and both having a reasonable knowledge of relevant facts."
- 2 IRC Sec. 170(e)(1)(A); Reg. Sec. 1.170A-4(a)(1).
- 3 Reg. Sec. 1.170A-1(a).
- 4 IRC Sec. 170(b)(1)(B).
- 5 IRC Sec. 170(d)(1); Reg. Secs. 1.170A-8, 1.170A-10.
- 6 IRC Sec. 170(b)(1)(A).
- 7 Reg. Sec. 1.170A-13.
- 8 The prevalence of text messaged giving is clear in that the IRS publishes information on how to keep a record of such contributions. "Deducting Charitable Contributions: Eight Essentials," IRS Tax Tip 2012-57 (March 23, 2012).
- 9 It is true that some coins have value as a collectible. A number of rulings made a distinction between ordinary and numismatic value in regard to charitable gifts: Rev. Rul. 69-63, 1969-1 CB 63; PLR 9225036.
- 10 A "flip" CRUT is a type of CRT which allows the trust to change its payout method from a net-income unitrust to a straight, fixed-percentage CRUT when a triggering event occurs. The CRUT begins its life as a net-income CRUT, holding an asset that does not produce any income so there is no need for the trust to make payments. When the asset sells, the trust "flips" into a straight CRUT. The trustee invests the proceeds from the sale into income producing assets that permit the regular annuity payout.
- 11 IRC Sec. 1222(3).
- 12 IRC Sec. 170(e)(1)(A). This particular provision of the IRC was inserted in the 1969 amendments to prevent an individual making a donation of appreciated property to enjoy a larger tax deduction than the taxpayer donating cash. If a taxpayer in the highest bracket at 70% made a donation of ordinary income property with a basis of \$500 and a FMV of \$1000, the taxpayer would actually have a tax savings of \$1050. Basis savings \$500 x 70% = \$350; charitable deduction FMV \$1000 x 70% = 700; total tax savings: \$1050. For a general explanation see the General Explanation of the Tax Reform Act of 1969 by the Staff of the Joint Committee on Internal Revenue Taxation.  
<http://archive.org/stream/generalexplanati00jcs1670#page/78/mode/2up>
- 13 Reg. Sec. 1.170A-1(c)(1).
- 14 Reg. Sec. 1.170A-1(b).
- 15 IRC Sec. 170(b)(1)(C)(i); Reg. Sec. 1.170A-8(d)(1).
- 16 IRC Sec. 170(b)(1)(C)(iii); Reg. Sec. 1.170A-8(d)(2).
- 17 Reg. Sec. 1.170A-13(c)(7)(xi)(A).
- 18 Reg. Sec. 1.170A-13(c)(7)(xi).
- 19 Reg. Secs. 25.2512-3(a), 20.2031-3.
- 20 Reg. Secs. 1.1011-2(a)(4)(ii), 1.1011-2(c), Ex. (8).
- 21 See Reg. Sec. 1.664-1(d) for a description of the four-tier distribution system from a charitable remainder trust—municipal bond income would be considered Tier three (other income) to be distributed after ordinary income and capital gain were first distributed from the trust.
- 22 IRC Sec. 170(f)(2)(B).
- 23 IRC Sec. 408; IRC Sec. 401.
- 24 IRC Sec. 408(d)(8).
- 25 Recent legislative attempts to renew the IRA Charitable Rollover include the Public Good IRA Rollover Act of 2011 (S. 557, H.R. 2502). The provision is often discussed as part of the "tax extenders package" which also includes the AMT exemption patch and an option for deducting state sales tax instead of state income tax.
- 26 IRC Sec. 170(e)(1)(A).
- 27 IRC Sec. 170 (b)(1)(C).
- 28 *McGuire v. Comm'r*, 44 TC 801 (1965).
- 29 IRC Sec. 170(f)(3)(B)(i).
- 30 Reg. Sec. 1.170A-7(b)(3).
- 31 Reg. Sec. 1.170A-7(b)(4).
- 32 *Ibid.*
- 33 IRC Sec. 170(f)(4); Reg. Sec. 1.170A-12(b)(2).
- 34 Reg. Sec. 1.170A-7(c).
- 35 IRC Sec. 170(f)(3)(B)(iii). The contribution must be made to an organization that promotes conservation per IRC Sec. 170(h)(1); Reg. Sec. 1.170A-14(a).
- 36 IRC Sec. 170(h)(3).
- 37 Reg. Sec. 1.170A-14(c)(1).
- 38 Reg. Secs. 1.664-3(a)(1)(i)(c) – 1.664-3(a)(1)(i)(f).
- 39 Reg. Sec. 1.48-1(c).
- 40 IRC Sec. 170(e)(1)(B)(i).
- 41 IRC Sec. 170(e)(7).
- 42 IRC Sec. 170(e)(7)(D).
- 43 IRC Sec. 170(f)(12).
- 44 IRC Sec. 170(a)(3); Reg. Sec. 1.170A-5(a)(1).
- 45 IRC 170(f)(3)(B)(ii).
- 46 Reg. Secs. 1.170A-7(b)(1)(i), 20.2055-2(e)(2)(i), 25.2522(c)-3(c)(2)(i).
- 47 Reg. Sec. 1.170A-7(b)(1)(i).
- 48 IRC Sec. 170(o)(3)(A)(i).
- 49 IRC Sec. 170(o)(3)(A)(ii).

## Upcoming Gift Planning Luncheon Seminars

Complimentary lunch and self-parking are provided — MCLE credit is offered and available for those who qualify.

**All presentations will take place at:** Founder's Room, Schaetzel Center for Health Education  
Scripps Memorial Hospital La Jolla • 9888 Genesee Avenue • La Jolla, CA 92037

**To make a reservation:** email [giftplanning@scrippshealth.org](mailto:giftplanning@scrippshealth.org) or call 858-678-7120

### Estate Planning Across Borders

Wednesday, September 12, 2012

**Presenters:** Janet Ambrozek, Law Office of Janet Ambrozek  
and Artemiza Q. Schumacher, Esq., Riviera & Schumacher, APC

Working with multinational clients—where assets, residency, and citizenship may reach across borders—presents a particular challenge for the professional planner. Drawing on their experiences working with individuals and families with assets in both Mexico and the US, our speakers will discuss some of the special concerns that should be addressed, including some unique opportunities this situation presents for charitable giving.

**By Reservation Only – Deadline: Friday, September 6, 2012**

### Make the Most of the Gift and Estate Tax Exemption: Charitable Lead Trusts and Other Strategies

Wednesday, October 3, 2012

**Presenters:** David C. Anderson, Principal, Law Office of David C. Anderson  
and David E. Williams, Senior Director of Gift Planning, Scripps Health

The current gift and estate tax exemption of \$5,120,000 is set to expire at the end of 2012, and it is uncertain what the future holds. Absent action by Congress, we will see a return of the \$1,000,000 exemption and a 55% estate tax rate. Charitable lead trusts are one strategy for making the most of the current exemption for passing assets to family, while also satisfying philanthropic goals. Other strategies are available for meeting non-charitable goals. Our speakers will discuss the charitable lead trust and other strategies that may be of interest to your clients wanting to take advantage of the current exemption while it is available.

**By Reservation Only – Deadline: Friday, September 28, 2012**

### Advance Health Care Directives: From Planning to Implementation

Wednesday, November 28, 2012

**Presenters:** Richard R. Sheridan, General Counsel, Scripps Health  
and Eloise Hock Feinstein, Principal Attorney, Barger Law Group, APC

Individuals have a right to give instructions about their own health care and to name someone else to make their health care decisions. What is the best way to accomplish this and what are the key issues to consider? How does a health care provider respond when presented with these instructions? Our speakers will discuss the Advance Health Care Directive and Living Will, including how they compare with the POLST form, and Scripps Health's perspective on how instructions can be drafted such that the health care provider can best effectuate an individual's instructions.

**By Reservation Only – Deadline: Friday, November 23, 2012**



David E. Williams  
Senior Director of Gift Planning  
858-678-6359  
[williams.dave@scrippshealth.org](mailto:williams.dave@scrippshealth.org)

Natalie Ganz  
Director of Gift Planning  
858-678-6344  
[ganz.natalie@scrippshealth.org](mailto:ganz.natalie@scrippshealth.org)

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