Scripps Heritage Planner

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

SUMMER 2011

Life Income Gifts:
A Comparison of Charitable Gift Annuities and Charitable Remainder Trusts

IN THIS ISSUE:

- Formation of Life Income Gifts
- Funding Life Income Gifts
- Life Income Gift Amount
- Gift Payout Rate, Duration, and Variability
- Taxation of Life Income Gifts
- Beneficiaries
- Administration of Life Income Gifts
- Life Income Gifts and Retirement Planning

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Scripps Health Foundation

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Estate Planning for Retirement Plan Benefits
Wednesday, September 7, 2011

Year-End Tax Planning
Wednesday, October 5, 2011

Charitable Gifts of Real Property
Wednesday, November 2, 2011

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

Natalie Ganz
Director of Gift Planning
858-678-6344
ganz.natalie@scrippshealth.org

"Through philanthropy, we help to heal, enhance and save lives."

Life Income Gifts:

A Comparison of Charitable Gift Annuities and Charitable Remainder Trusts

In this issue, we compare two types of life income gifts: charitable gift annuities and charitable remainder trusts. The term "life income gift" describes a type of charitable gift that includes an income component in the form of annual payments to a non-charitable beneficiary. The purpose of a life income gift is twofold—it provides a gift to charity and secures annual payments for a beneficiary. A life income gift can address a donor's concern about future income while allowing the donor to help a favorite charity. When a prospective donor is considering a life income gift, highlighting points of comparison between charitable gift annuities and charitable remainder trusts will help guide the conversation.

Formation

A charitable gift annuity ("CGA") is a contractual agreement between the donor and the charity in which the donor agrees to make a charitable gift, and the charity agrees to pay a fixed amount periodically to the person designated by the donor.[1] The CGA contract obligates the charity to provide an income stream to a beneficiary backed by the full assets and endowment of the charity. The charitable donation made by the donor is larger than would be necessary to achieve the same return on a commercial annuity. The amount over and above the annuity return amount is the charitable contribution.

The structure of the CGA transaction is that of a "bargain sale". Under a bargain sale, the seller sells an asset at a price less than market value. In a CGA transaction, the donor gives an asset to the charity and receives an annuity in return that is less than the value of the original asset. The amount of value above that of the annuity is the amount of the charitable gift.[2]

Annuities are an insurance product, and gift annuities are an exception to the Federal income tax rule that a charitable organization cannot issue commercial insurance contracts and still keep its income tax-exempt status.[3] To qualify for this exception under the Internal Revenue Code, charities that issue gift annuities must comply with the "Clay-Brown" rules to avoid being taxed on the revenues they receive from gift annuities. These rules are:

- The present value of the annuity must be less than 90% of the total value of the property transferred in exchange for the annuity.
- The annuity cannot be payable over more than two lives, and the life or lives must be in being at the time the gift annuity is set up.
- The gift annuity agreement between the donor and charity must not specify either a guaranteed minimum number of annuity payments, or a maximum number of payments.
- The amount of the periodic annuity payments cannot be subject to adjustment by reference to the actual income produced by the transferred property or any other property.[4]

The charity will present the donor with a standard CGA contract form that requires the donor to make a limited number of choices depending on the type of CGA and what is permitted under state law.[5] The California Department of Insurance licences charities to issue CGAs to California residents and regulates the administration of the annuities. Scripps Health is so licensed. There are no federal level CGA contract forms. The donor must decide who the beneficiary will be, what "life" will be used to measure the annuity, whether the annuity is immediate or deferred, what the annuity payment schedule will be, and which monthly applicable federal rate ("AFR") is best to use.[6]

On the other hand, the charitable remainder trust (CRT) is a split-interest trust: non-charitable beneficiaries receive distributions at least once a year (the income interest); and a charity (or charities) eventually receive what is left when the trust term ends (the remainder interest).[7] As a general rule, a donor cannot deduct a split-interest gift to charity.[8] However, the CRT is an exception. In order to qualify for CRT status, the trust has to meet certain criteria, including:

- The payout amount must meet percentage requirements.
- The trust must be either a charitable remainder annuity trust or a charitable remainder unitrust (not a hybrid).
- The trustee must abide by certain rules for investment (i.e., excise tax rules for private foundations).
- The trust must meet the definition of and function exclusively as a CRT from its creation.[9]

A CRT is a legal entity created by the donor, and the donor can craft the trust document to accommodate individual planning needs. The IRS has released revenue procedures that contain specimen trust forms for the CRT (both annuity trust and unitrust) including annotations and alternative provisions.[10]

Selection of the AFR is a matter where the guidance of a professional advisor may will be important to a donor setting up either a CGA or a CRT. For the CGA the selection of a higher AFR will bring a greater immediate charitable income tax deduction, whereas a lower CGA AFR will provide larger tax-free annuity payments. A higher CGA AFR may appeal to donor seeking to

maximize charitable itemized income deductions, and a lower AFR may be a key for a donor concerned about losing annuity income. For the CRT, a higher AFR gives the maximum charitable income tax deduction, and if the CRT is a charitable remainder unitrust (CRAT), the higher AFR helps prevent the IRS from disqualifying the charitable deduction due to exhaustion of principal.[11]

Funding the Gift

Funding a CGA can be as simple as writing a check for the full amount of the contribution, or as involved as transferring real property. While cash makes for a simple transaction, the donor may prefer to use other property eligible for long term capital gain ("LTCG") treatment.[12]

When using an appreciated asset eligible for LTCG, the donor avoids incurring capital gain on the gift part of the CGA, but the donor is liable for any gain on the appreciation of the non-gift portion of the asset transferred. The donor must allocate the basis on the appreciated asset to both the annuity portion (called the "investment in the contract") and the charitable donation portion of the transaction. The donor will recognize income in an amount equal to the investment in the contract minus the amount of the donor's basis in the investment in the contract. Fortunately for the donor, the LTCG realized on the annuity part of the CGA can be evenly spread across each year of the donor's life expectancy if:

- The transfer qualifies for a charitable income tax deduction under IRC §170.
- The donor is the only annuitant (or the donor and a designated survivor annuitant).
- The annuity cannot be assignable to anyone but the charity itself.[13]

However, if the CGA does not meet all of the above criteria, the CGA does not qualify for ratably spreading the capital gain and the donor must recognize all of the gain in the year the CGA is established.

A key issue for an immediate CGA is the IRC requirement that annuity payments to the beneficiary must begin within the year the gift is made. As a result, property that cannot be easily valued or quickly converted into an income producing asset is not the best option to fund an immediate CGA. Even in the case of a deferred CGA, where annuity payments to the beneficiary must begin more than a year after the date of the gift, the reality is that most, if not all, charities will not accept a gift that cannot be quickly converted into a liquid asset.[14]

A donor must also decide on the optimal asset(s) to fund the CRT. This decision must account for the amount and the timing of distributions to beneficiaries and the nature of the asset itself.

A CRAT is much like a CGA in that illiquid assets may not be a good choice to fund the gift. Annuity payments must be paid at least once a year so an illiquid asset that does not generate income is not the best choice for funding, unless sufficient cash was also part of the gift.[15]

However, a charitable remainder unitrust (CRUT) can be a different matter. There are variations of the CRUT that permit flexibility in the annuity payout. For instance, a "flip" CRUT is a type of CRT that allows the trust to change its payout method from a net-income unitrust to a straight, fixed-percentage CRUT when a triggering event occurs.[16] 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.

A major concern in funding a CRT is the risk of choosing an asset that creates unrelated business income (UBI).[17] Though the gift to a CRT of an ownership interest in a flow-through entity such as a partnership or an LLC can be productive, the gift could potentially trigger the UBI rules.[18] So can debt-financed investment, and direct business activities conducted by the CRT.[19] Income identified as UBI is subject to a 100% excise tax charged to and paid out by the trust corpus.[20] Yet, the same UBI is characterized under the four-tier system for income distribution purposes (see Payout-Income Taxation, page 3).

> Although funding a CGA with an illiquid asset can pose challenges, some charities can and do accept such gifts. For example, Scripps Health often determines that it is able to accept gifts of real property. In fact, we are able to establish a CGA in exchange for a remainder interest in the donor's personal residence while also allowing the donor to retain a life estate in the property.

Gift Amount

The charities themselves establish the minimum amount necessary for a CGA. A 2009 survey conducted by the American Council on Gift Annuities reported that $10,000 was the minimum amount for 62.1% of respondents.[21]

Additionally, a gift annuity payable to two annuitants for their joint lives will result in a reduced income tax charitable deduction. The payout period for two annuitants can be expected to last longer than for a single annuitant, and this will boost the present value of the annuity.

A CRT may be feasible only for larger gifts—at least $100,000, depending on the type of CRT—due to the cost of creating and maintaining the trust. Note that it is

possible to make additional gifts to the corpus of a CRUT (but not an annuity trust).

When the CGA or CRT is a gift of a significant amount compared to the donor's annual income, the donor must keep in mind the IRC charitable giving percentage limitations. If the donor contributes cash, there is a limitation of 50% of AGI.[22] If the donor transfers appreciated property eligible for LTCG treatment, the limitation is generally 30% of AGI.[23] The donor can carry any excess charitable deduction amount forward for up to five additional years.[24]

Payout – Rate

The charity sets the payout rates for the CGA based on the annuitant's age, but must keep in mind that the offered payout rate must pass the 10% residuum to charity rule set forth in IRC Sec. 514(c)(5).[25] As a part of promoting best CGA program practices to charities, the American Council on Gift Annuities publishes suggested CGA payout rates. Once the amount of the annuity payment is set by the CGA contract, the charity cannot offer any adjustment to the annuity payment based on investment performance or some other index, such as increasing the annuity payments based on a rise in the S&P 500. Failure to follow the provisions set forth in Sec. 514(c)(5) could result in the charity having unrelated business income.

The donor sets the payout rate for the CRT, but must follow the requirements found in the Internal Revenue Code. The payout rate must be at least 5%, but no more than 50%, and the calculation for the proposed CRT at the given rate must provide at least a 10% remainder to charity.[26]

When determining the proper payout rate for a CRT, the donor's choice could be influenced by several factors, including:

- What are the income needs of the non-charitable beneficiaries?
- What would the donor like to leave as a remainder gift to the charity?
- Will the payout demands of the CRT overtake the investment returns of the trust corpus?

Payout – Duration

A CGA makes annuity payments for the life of one or two annuitants. The CGA agreement cannot specify that the annuitant will receive a certain number of payments.[27]

The duration of CRTs can be measured by a term of years up to 20, or by the life or lives of the income beneficiaries.[28]

Payout – Variability

The amount of the CGA annuity payment is set at the time it is created and never varies.[29]

The payout of a CRAT is fixed at the time the trust is created (as a percentage of the trust assets valued at that time) and never varies.[30]

The payout of a CRUT can vary from year to year—the payout is a percentage of the trust assets as revalued every year. Also, a net-income CRUT payout may vary depending on the income the trust has earned, with the payout being the lesser of the net income earned or a percentage of the trust assets.[31] In the case of a net-income CRUT with a make-up provision, the trustee can pay a percentage of the trust assets as valued for the year, plus any amount of trust income in excess of the percentage to the extent that the trust experienced income deficits in prior years.[32]

A donor can reserve the right for the trustee to sprinkle distributions among non-charitable beneficiaries, or a class of non-charitable beneficiaries.[33] However, this power must be reserved for an independent trustee or else the CRT will be considered a grantor trust and the donor will be considered owner of the trust under the tax rules.

One ruling allowed the donor to insert a term that would reduce the payout amount to one of the three non-charitable beneficiaries in the event that such non-charitable beneficiary were to remarry (the amount of the reduction would subsequently be paid to the charitable remainderman).[34]

Payout – Income Taxation

When a CGA payout is made, a portion of the payout may be excluded from federal income taxation. The amount excluded is calculated through an exclusion ratio set out in the Internal Revenue Code.[35] This exclusion ratio is determined by dividing the investment in the contract, which is the fair market value of the charitable deduction, by the total return on the annuity payments expected to be paid to the beneficiary. The life expectancy of the beneficiary is determined under tables created by the IRS.[36] The exclusion ratio is the portion of each annuity payment that is considered a portion of the original investment in the cost of the annuity contract.

A CGA payout can be taxed as income in three ways:

- **A Tax-Free Return of Principal** – Part of the annuity payment is a tax-free return of principal until the assumed cost of the annuity as determined by the IRS tables has been recovered.[37]
- **Long-Term Capital Gain** – If the donor is the annuitant and funds the CGA with long-term capital gain property, part of the annuity payment will be taxed as long-term capital gain.
- **Ordinary Income** – After the tax-free and capital gain portions of an annuity payment have been determined, the balance of the payment represents ordinary income.

Once the annuitant attains life expectancy, all principal attributable to the sale portion will have been recovered

income tax free and all capital gain attributable to the sale portion will have been recognized. Thereafter, the entire annuity payment will be taxable as ordinary income.

A CRT payout is taxed as income to the non-charitable beneficiary according to a four-tier system that accounts for the nature of the income itself:

Tier 1 – Ordinary Income
Tier 2 – Capital Gain Income[38]
Tier 3 – Other income (i.e., Tax-Exempt Interest)
Tier 4 – Tax-Free Return of the Trust Principal[39]

Distributions are made according to a "worst in-first out" system for each respective tier. The highest taxed income in the top tier, ordinary income, is distributed first. If there is both ordinary interest income and qualified dividend income, the ordinary interest income is distributed first.[40] Once the ordinary interest income has been distributed, qualified dividends are distributed. After all ordinary income has been distributed, capital gains are distributed.[41] Within the capital gains tier, net short-term capital gains are distributed before the net long-term capital gains.

Under the Uniform Principal and Income Act (which has been adopted by most states), the trustee of a CRT may invest for a "total return," and the trustee has the power and duty to reallocate this total return annually to either income or principal.[42] The regulations that define principal and income for purposes of IRC Sec. 643(b) permit the allocation of capital gain to income, but only pursuant to local law or the trust instrument itself, not solely the trustee's discretion.

Beneficiaries

The donor may choose one or two living persons as annuitants of a CGA.[43]

For a CRT, the donor may choose any number of income interest beneficiaries so long as at least one is not a charity.[44] Lifetime distributions to a trust rather than the actual person are not permitted unless the person is judged to be incompetent.[45] Any individuals named as non-charitable beneficiaries must be alive at the time the trust is created.[46]

A CRT may make income distributions to a charity in addition to the required distributions to non-charitable beneficiaries—either as a fixed amount, or an amount left to the discretion of the trustee.[47] However, only the value of the remainder interest is deductible by the donor and not the distributions to charity made during the term of the trust.

The donor can choose any number of charitable remaindermen to receive the remaining trust assets once the term of the CRT has ended.[48] The donor may retain a power to change the charitable remainderman without compromising the tax-exempt nature of the CRT.[49]

Ongoing Administration

Once the CGA is established, the charity places the donor's gift in its own reserve fund. The charity observes its own policies and state regulations for investment and maintenance of reserve funds. Every year, the charity sends payment to the annuitants. The charity subsequently issues a 1099-R form to the annuitants detailing the taxation of the CGA payout. From the donor's perspective, ongoing administration primarily involves verifying receipt of annuity payments as required under the contract, and advising the charitable entity of any changes in address.

A CRT has several ongoing administrative issues that the trustee must oversee.[50] The trust assets require regular investment management. The trustee must file the trust tax returns and make an accounting of trust income. In the case of net income make-up unitrusts, the trustee must also track the make-up amount when the income is less than the payout rate. Perhaps most importantly, especially to the beneficiaries, the trustee must report (Form 1041 K-1) and distribute income to the trust beneficiaries.

In particular, the CRT itself must file IRS form 1041 for Estates and Trusts and form 5227 the Split-Interest Trust Information Return. A CRT may also have to file form 4720 Return of Certain Excise Taxes for issues such as self dealing, failure to distribute income, excess business holdings, investments which jeopardize the charitable purpose, or expenditures which are taxable.[51]

Retirement Planning

For persons looking to boost their income in retirement, a deferred CGA is an option. A deferred CGA:

- Begins payment at least one year after the date of creation;
- Has a higher payout rate than an immediate CGA; and
- Generates a larger charitable income tax deduction than an immediate CGA, which is taken in the year of creation even though the annuity payments do not begin until some future date.

Another type of deferred CGA allowed by the IRS is the flexible deferred CGA. In a private letter ruling, the IRS allowed a flexible deferred CGA, in which the annuitant was allowed to have a flexible date for the start of the annuity payments.[52] The letter ruling approved a proposed deferred gift annuity where the annuitant was allowed to select a starting date at any time after the 50-year-old annuitant reached age 55. When the payment start date was selected, the annual annuity payment was determined based on the age of the annuitant using the IRS tables.[53]

A CRUT naturally fits the retirement model because the payout reflects the investment performance of the trust assets, which can provide a hedge against inflation. More specifically, the assets in a net-income CRUT with a make-up provision can be invested, beginning payments at some future retirement date. If applicable, the make-up provision

units of a net-income make-up CRUT could provide an influx of cash to the beneficiary at that later date.

One strategy is to fund the net-income make-up CRUT with low-income producing assets (e.g., zero coupon bonds), but change the investment to higher income producing assets at or near the time of the non-charitable beneficiary's retirement.

Another consideration is that a donor might consider creating a CRUT in lieu of contributing to a traditional IRA year after year. Persons with higher incomes may not be able to deduct IRA contributions—these limits to deductions do not apply to contributions to a CRUT. A donor could create a CRUT, and then make additional contributions to the CRUT in future years.

Ease of Explanation to the Donor

A CGA is a relatively simple concept—part gift, part annuity—and the agreement document is short and straightforward. The agreement itself is in a standard contract form and will be somewhat familiar in appearance to most donors.

The CRT document is much more extensive and consists of titled paragraphs and what many refer to as "boilerplate" language. The language used to describe a CRT can be foreign even to a financially literate person—CRAT, CRUT, NICRUT, NIMCRUT, flip CRUT, remaindermen, etc.

Final Thought

We hope you will find the information in this issue useful in serving your philanthropically-minded clients. The Scripps Health Office of Gift Planning is available as a resource to you, and we invite you to contact us whenever we may be of help to you.

ENDNOTES

1 IRC §514(c)(5).

2 IRC §1011; Treas. Reg. 1.1011-2.

3 IRC §501(m).

4 IRC §514(c)(5).

5 When so required by state law, the issuing charity must register with the state insurance departments in the states in which it solicits gift annuities. State laws on registration vary, with some states requiring the charity to undergo a full registration process, others require simple a notification of issuing CGAs if the charity meets that state statutory requirements, others only require the charity to meet the statutory requirements to issue CGAs, and some states have an exemption from insurance law for the issuance of CGA's or do not address the issuance of CGAs at all. State laws often require issuing charities to maintain segregated reserves to cover their potential obligations to annuitants under gift annuity agreements.

6 The Internal Revenue Code ("IRC") allows the selection of the Applicable Federal Rate from the present month or one of the two prior months. IRC §7520. AFR rates can be found at: http://www.irs. gov/app/picklist/list/federalRates.html.

7 Treas. Reg. 1.664-1(a)(1)(i).

8 IRC §170(f)(1(a).

9 Treas. Reg. 1.664-1 (a)(1)(i).

10 Rev. Proc. 2003-53 through 2003-59 (Annuity Trusts); Rev. Proc. 2005-54 through 60 (Unitrusts).

11 With respect to charitable remainder annuity trusts (CRATs), the IRS takes the position that the trust is disqualified for a charitable deduction if there is a greater than 5% probability that the income beneficiary will survive the exhaustion of principal. Rev. Rul. 77-374, 1977-2 C.B. 329; see also PLR 8152019.

12 Treas. Reg. 1.170A-4(c)(1).

13 Treas. Reg. 1.1011-2(a)(4)(ii).

14 A key factor in the charity's acceptance of an illiquid gift is whether the state law of the charity's home state permits the charity to count certain illiquid assets towards the state's reserve requirements for charities. Additionally, most charities have adopted strict provisions in their gift acceptance policies which govern their acceptance of an illiquid gift. For example, a proposed real estate gift would likely be required to have appraisals, inspections, and a Phase I and Phase II environmental assessment.

15 The requirement that the annuity payment be paid once a year is a requirement that also includes the year the trust is created. This is a very important point in advising clients and planning.

16 Treas. Reg. 1.664-3(a)(1)(i)(c).

17 IRS §664(c); Treas. Reg. 1.664-1(c); Treas. Reg. 1.664-1(d)(2).

18 PLR 9651001.

19 Bartels Trust v. United States, 209 F3d 147, 85 AFTR 2d 2000-2 (2nd Cir. 2000) Cert. denied, 121 S. Ct. 426 (2000).

20 IRC §664.

21 The American Council on Gift Annuities (ACGA) presented its fourth national survey on charitable gift annuities in 2009. A report from the ACGA can be found at: http://www.acga-web.org/best_practices.html.

22 The donor may make an election to deduct the cost basis of a donation of appreciated property eligible for LTCG treatment up to 50% of the donors AGI. However, this election requires that appreciated property and gift carry forwards from prior years must also use the cost basis for the deduction. Treas. Reg. 1.170A-8(d)(2)(i).

23 IRC§170(b)(1). A special 30% of AGI limit applies to gifts of capital gain property to 50% limit organizations. Gifts of capital gain property to other organizations have a 20% of AGI limit. However, the special 30% limit does not apply when you choose to reduce the fair market value of the property by the amount that would have been long-term capital gain if you had sold the property.

24 Id.

25 IRC §514(c)(5).

26 IRC §664(d).

27 IRC §514(c)(5).

28 IRC §§664(d)(1)(A), 664(d)(2)(A).

29 IRC §514(c)(5).

30 IRC §664.

31 IRC §664(d)(3)(A).

32 IRC §664(d)(3)(B).

33 PLR 9052038, PLR 94523020.

34 Rev. Rul. 76-291, 1976-2 CB 284.

35 Treas. Reg. 1-72.4.

36 Treas. Reg. 1-72.5. The actuarial tables are found in IRS Publication 1457.

37 IRC §170; Treas. Reg. 1.1011-2.

38 A fact to keep in mind is the differing treatment of types of capital gain, which does add another layer of complexity to the four tiered tax structure.

39 IRC §664(b); Treas. Reg. 1.664-1(d)(1).

40 Ordinary income is taxed at rates up to 35% in 2011 and 2012.

41 Capital gains are taxed at rates up to 15% in 2011 and 2012.

42 Uniform Principal and Trust Act §104(a).

43 IRC 514(c)(5).

44 Rev. Rul. 76-8, 1976-1 CB 179.

45 Treas. Reg. 1.664-3(a)(5), PLR 9710008, PLR 9710009, PLR 9710010.

46 IRC §664(d)(1)(A); Treas. Reg. 1.664-2(a)(3)(i).

47 Treas. Reg. §1.664-2(d).

48 IRC § 664(d)(1)(c); Treas. Reg. §1.664-2(a)(6)(iii).

49 Rev. Rul. 76-8, 1976-1 CB 179.

50 The donor names the trustee, which may be the donor, the charitable remainderman, a third party (e.g., attorney, accountant, relative, etc.), or a financial institution with trust powers. The donor may retain the right to change the trustee.

51 IRC 4941-4945.

52 PLR 9743054.

53 As a private letter ruling, or PLR, the IRC provides that the PLR may not be used or cited by others as precedent. IRC §6110(j)(3). However, the letter ruling does provide guidance as to transactions already accepted by the IRS.

Upcoming Gift Planning Luncheon Seminars

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

Reservation details & location are listed below

Estate Planning for Retirement Plan Benefits

Wednesday, September 7, 2011, noon to 1:30 pm

Presented by:
Susan Mercure,
Attorney,
Higgs Fletcher & Mack

As more individuals save for retirement through qualified plans and individual retirement accounts, it is becoming increasingly important for professional advisors to be equipped to help clients address treatment of these assets in their estate plans. Our speaker will review the various considerations for designing an estate plan using these assets such as beneficiary designations, planning for maximum deferral of required minimum distributions, and opportunities for charitable giving.

By Reservation Only – Deadline: September 2, 2011

Year-End Tax Planning

Wednesday, October 5, 2011, noon to 1:30 pm

Presented by:
Dorothy McLin,
CPA and Tax Advisor,
Mensch & Associates

Natalie Ganz,
Director of Gift Planning,
Scripps Health

As we enter the last quarter of 2011, your clients may be starting to need your assistance with their year-end tax planning needs. Our speakers will help you to prepare by reviewing changes in the tax laws and the rules relevant to tax and estate planning, including those related to charitable giving. This presentation will include a discussion of this year's major tax law developments and their impact on tax law strategies.

By Reservation Only – Deadline: September 30, 2011

Charitable Gifts of Real Property

Wednesday, November 2, 2011, noon to 1:30 pm

Presented by:
Kenneth Coveny, Partner,
Dostart, Clapp & Coveney

Miguel Nuñez, Realtor®,
Prudential California Realty

David Williams,
Senior Director of Gift Planning,
Scripps Health

From outright transfers to life-income gifts and bequests, charitable contributions of real property can be both highly complex and rewarding. Learn how your clients can employ this asset to achieve their goals for philanthropy, to meet their tax and estate planning needs, and even to secure income for life. To achieve a successful outcome, contributions of real property also require additional considerations and arrangements, such as appraisals, environmental concerns, how to handle encumbrances, and reporting requirements. Our speakers will review several options for making charitable gifts of real property and will provide insight as to how you can best serve clients who are contemplating these opportunities.

By Reservation Only – Deadline: October 28, 2011

PLEASE NOTE: 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 or call 858-678-7120

David E. Williams
Senior Director of Gift Planning
858-678-6359
williams.dave@scrippshealth.org

Natalie Ganz
Director of Gift Planning
858-678-6344
ganz.natalie@scrippshealth.org

Please visit us online at www.scrippsheritage.org where you will find many helpful tools and links to tax laws and articles. If you are not already receiving our weekly eNewsletter, you may sign up easily on our web site.