

FAITH In Our FUTURE



A FINANCIAL AND CHARITABLE PLANNING GUIDE

Alive in the Savior

Our passion for God and our passion for humanity are at the center of our lives. We Sisters of the Divine Savior (Salvatorians) embrace our apostolic ministries in which we serve.

Each one of the Sisters brings unique gifts and talents to the mission. We work in collaboration with one another and with other religious and lay people.

With more than 1,200 members worldwide, we work each day in a variety of ministries in 29 countries on five continents. The needs are constant, and we continue to respond.

True to our promise to the Church and for the world, we collaborate to build and renew life, wherever we are, in all the ways in which the Spirit of God inspires. Often serving in some of the most remote parts of the world, our efforts bring hope and help empower many people.

We need continued support for our works of evangelization, social ministries in very poor and underdeveloped areas, and education and housing for our Sisters.

It is the faith of our friends and benefactors who, with generous financial support and continued prayers, sustain us in our life's journey of serving others.

As Sisters of the 21st century, we continue to evolve and meet the needs of an ever-changing world. Please consider a planned gift to the Sisters of the Divine Savior. Your commitment today will benefit those whose lives we touch now and in the future.

Thank you for your faith in us and our work.
In the Savior,

Sister Marion Etzel, SDS

Sister Marion Etzel, SDS
Provincial Leader

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In Venezuela, the Sisters engage in various apostolic ministries serving victims of severe poverty. Our Sisters in San Felix provide hope through education to the school children and their families.

A Gift for Every Objective

Many charitable gifts also give back to the giver—in more ways than one!

While every type of gift benefits us, there are charitable gifts designed with the donor in mind as well. If you would like to further our mission while reducing taxes and possibly increasing your income, consider making a planned gift.

Planned giving is any deferred, benevolent donation that satisfies your needs and those of your favorite charitable organizations. In addition to considering the amount, time and manner of your gift, you'll also want to consider the available tax savings.

The Menu of Gift Plans

Cash is the simplest and easiest form of gift; you simply write a check. That's the appetizer in a menu of philanthropic gift strategies prepared to meet your goals. Below are some financial objectives you might have, along with the best gift for your needs.

Avoid capital gains tax. Give appreciated stock you have held for at least one year.

Secure a fixed life income while avoiding market risks. Create a charitable remainder annuity trust (CRAT) funded with cash, securities or other property. This is a popular choice for retired people older than 60.

Create a hedge against inflation over the long term. Establish a charitable remainder unitrust (CRUT) with appreciated



assets. A CRUT pays you a life income based on a percentage of market value. This is most appropriate for anyone with a healthy life expectancy.

Help put grandchildren through college. Establish an education unitrust for a term of years, making payments to a grandchild for tuition and related costs.

Give your personal residence or farm but retain life use. A "retained life estate" is a good choice for someone older than 70 with a modest income and limited liquid assets.

Make a significant gift with little cost to yourself. Contribute life insurance policies you no longer need. You can name us as beneficiary or transfer policy ownership to us.

Make a charitable remainder gift in a trust you can change. Create a revocable living trust that makes income and principal fully available to you for life, with all or a portion of the remainder passing to us. This is desirable for anyone who may need the trust principal while living. With this type of gift, however, a current year income tax charitable deduction is not available. But your estate does receive a full charitable

YOUR PERSONAL GUIDE
To Planned Giving

Choose the Gift That's Right for You

For more information on including us in your estate plan and the benefits you may receive, please complete and return the enclosed reply card. We will make sure you receive a FREE copy of *Your Personal Guide to Planned Giving*.



estate tax deduction for the portion of the trust passing to us.

Defer a gift until after your lifetime.

Include in your will a bequest of assets such as cash, specific personal or real property, or a share of your estate's residue.

Avoid income and estate taxes on IRAs and retirement plans. Name us as the plan's beneficiary, to take effect after your lifetime (or your spouse's lifetime).

This list covers the basics of each gift you can make. Each comes with more than just substantial tax savings—you'll also have the satisfaction of furthering our mission. If you would like more information, we'd be glad to give you a no-obligation consultation.

A Timely Solution: Charitable IRA Rollover

Some people take withdrawals from their IRA assets and use them to make gifts to charitable organizations. If you are age 70½ or older, consider transferring up to \$100,000 from your IRA to us this year without incurring any taxable income or tax deductions. This provision under the Pension Protection Act of 2006 can be especially appealing if you are already receiving required minimum distributions and do not want to pay income tax on those funds, or if you have already named us as beneficiary of your IRA and would like to jump-start your legacy with an outright gift. Contact us for more information.

How New IRS Rules Affect You

Making charitable gifts helps many Americans create a legacy and, as Winston Churchill said, "Make this world a better place for those who will live in it after we are gone."

In addition, our government encourages philanthropy by allowing us to deduct most charitable gifts as itemized deductions against our taxable income, thus lowering our overall tax bill. But to ensure that your gifts are deductible, you must be sure to document them properly.

Effective Jan. 1, 2007, donors must now have charitable receipts for cash—U.S. currency—gifts of any amount, even gifts of \$1 or \$5. In other words, a donor can no longer rely on "other reliable records" to substantiate cash donations less than \$250.

Consider the following court case where the donor did not have "other reliable records," let alone receipts. Mr. Harrell claimed he made many charitable gifts of

cash—not by check. He included on his income tax return that he made approximately \$6,000 in cash gifts in 2002 and 2003.

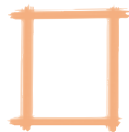
The IRS asked him to produce charitable receipts or other reliable records to support his claimed donations because donors must be able to substantiate their claims to receive a charitable income tax deduction.

Unfortunately for Mr. Harrell, he could not show the IRS any receipts or reliable records, or even to which charitable organizations gifts were given. (Receipts must include the name of the charitable organization, the date of the gift and the amount of any gift by cash or check.)

Without showing reliable records or receipts, Mr. Harrell lost the use of his charitable deductions. To realize your deductions, be sure to obtain all receipts needed to properly deduct your charitable contributions. *Harrell v. Commissioner*; T.C. *Summ. Op.* 2006-141; No. 19193-05S.

Make a Difference With a Risk-Free Gift

A bequest to our organization gives you the opportunity to fulfill your dreams for the future.



Among the most generous people in the world, Americans pride themselves on following the guiding principles of compassion and integrity.

An unpredictable future, however, can make acts of generosity a little tricky. How can we give today, yet still ensure financial stability and security for ourselves and our loved ones in the years to come?

A bequest—a gift made through your will and delivered after your death—is an ideal way to protect your family's future, retain flexibility, support our mission and gain tax advantages. Bequests are:

Easy. Making a bequest is as simple as inserting a few sentences into your will, such as, "I give \$10,000 to [official name of charitable organization]."

Revocable. Because relationships and circumstances evolve over time, your will should naturally evolve, too. With a bequest, you are not actually making a gift until your death. Until then, your will can be changed at any time.

Versatile. You can bequeath a certain item, an amount of money, a gift contingent on certain events, or a percentage of the remainder of your estate after all other debts, taxes and bequests have been fulfilled.

Tax-wise. Your estate is entitled to an unlimited estate tax charitable deduction for bequests to qualified charitable organizations.

In addition to the advantages above, your gift will brighten the future for our organization.



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