Ronald McDonald House Charities®
New York Metro

Help RMHC NYM While Planning Your Financial Future

PLANNED GIVING OPPORTUNITIES

Invest in Futures — Our Mission

Ronald McDonald House Charities New York Metro is committed to enriching the lives of children by providing comfort, care, and support to families in the New York Metro area.

Planned giving includes lifetime giving as well as making a bequest through estate planning. Planned giving may also save income and estate taxes. We'd like to make it even easier with this primer on some of the best ways to give — and save.

Gifts of Cash

If you wish to make a current gift, the simplest method is a gift of cash. **Your gift will immediately benefit our organization and may also provide a current tax benefit.** If you itemize deductions for income tax purposes, you can lower your taxes simply by writing a check to **Ronald McDonald House Charities New York Metro (RMHC NYM).**

Gifts of cash are fully deductible — up to a maximum of 50% of your adjusted gross income. Any excess can generally be carried forward and deducted over as many as five subsequent years.

Gifts of Life Insurance

If you have a life insurance policy and no longer need the death benefit, consider gifting the policy to RMHC NYM. **A gift of life insurance can provide a significant charitable deduction.** To receive a deduction, designate us as both the owner and beneficiary of the life insurance policy. Check with your insurance agent for details.

Bequests

RMHC NYM can be named as a beneficiary of your estate. **We can be specifically named as a beneficiary in your will or trust with an outright gift of either a designated dollar amount or percentage of your estate.** We could also be named as a remainder beneficiary to receive funds only after specific sums have been paid to individual beneficiaries. It may be helpful to know that you can easily add us to your will or trust through an amendment; thus, your entire estate plan does not have to be redrafted. A charitable deduction from estate tax will be available to your estate.

Gifts of Individual Retirement Accounts

If you do not utilize your retirement account fully during your lifetime, consider leaving the remainder to RMHC NYM. Retirement plans including individual retirement accounts are subject to income tax upon distribution to the account owner. If held at death, the account may also be subject to estate tax. **Consider naming RMHC NYM as the beneficiary of your retirement account.** Taxpayers aged 70 ½ and older can distribute directly up to $100,000 from their individual retirement accounts during their lifetime, free from income tax. The distribution is not included in income and therefore is not a charitable deduction. This may be beneficial for taxpayers who would not otherwise itemize deductions or where deductions are greater than the amount otherwise allowable. This may also result in state income tax savings.

If RMHC NYM or other charity is named as beneficiary of a retirement account at the taxpayer's death, the taxpayer will also avoid estate tax on the value of the account due to the charitable deduction.

Gifts of Stock

As mentioned earlier, a current gift benefits RMHC NYM immediately. If you own stock, it is often more favorable from a tax standpoint to contribute stock rather than cash. **A gift of appreciated stock generally offers a two-fold tax saving. First, you avoid paying any capital gains tax on the increase in value of the stock. Second, you receive an income tax deduction for the full fair market value of the stock at the time of the gift.** Stock must be owned more than one year to qualify for these significant tax advantages. Gifts of appreciated stock are fully deductible — up to a maximum of 30% of your adjusted gross income. Any excess can generally be carried forward and deducted over as many as five subsequent years.

Gifts of Real Estate

If you own real estate that you are considering selling or donating either currently or at death, consider a gift to RMHC NYM. A gift of real estate can also be tax advantageous. A residence, vacation home, farm, acreage, or vacant lot may have appreciated in value. Its sale would mean a sizeable capital gains tax. **By making a gift of this property, you would avoid the capital gains tax, and receive a charitable deduction for the full fair market value of the property.** It is also possible to make a gift of your home, farm, or vacation home and you and your spouse can continue to use it for your lifetimes— while you receive a current tax deduction.

Gift — But Retain the Use — During Lifetime

Example: Mr. and Mrs. Smith own a vacation home in the mountains that they would like to continue using. Its fair market value is $100,000. By contributing the home to us now but retaining the exclusive right to use it for the rest of their lifetimes, the Smiths **can achieve a current income tax charitable contribution deduction** of approximately $25,000. *(The precise amount will depend upon their ages, the useful life of the house, and other factors.)*

Life Income Gifts

How to increase your income, receive a charitable contribution deduction and avoid capital gains taxes.

Charitable Remainder Trust

If you own stock which is paying you low dividends, maybe 3% or less, a "life-income" gift may be an appropriate gift. You could transfer the stock and establish a "charitable remainder unitrust" or "charitable remainder annuity trust" that would **provide you with a 5% or greater annual income stream.** This income would be paid to you and/or a loved one for life, after which the assets would be distributed outright. **Through such an arrangement, you would be increasing your income and making a meaningful (and tax deductible) contribution at the same time.**

Charitable Lead Trusts

Charitable lead trusts are essentially the reverse of the life income gifts described above. The income from the trust is first paid to us; the charity's interest leads the way (hence the name of the trust).

Under this arrangement, you transfer assets to a trustee who makes payments to us for a specified number of years, after which time the assets are transferred to your heirs. **The charitable lead trust allows you to pass assets on to your children and grandchildren either completely free or substantially free of all estate and gift taxes!** It can make good sense for anyone in the top estate and gift tax brackets.

Awareness

Your generous support means a great deal to so many children and their families. **We ask that once you have made the decision to include us in your planning, to let us know.** We will be regularly letting individuals in the community, as well as the families, know those that have remembered RMHC NYM.

Some donors may wish to remain anonymous. We can respect those wishes. If you choose to not be recognized, we will not publicly recognize your gift, however; we do ask that you still make RMHC NYM aware of your gift.

Ronald McDonald House Charities® New York Metro

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Learn More

A brochure cannot tell you everything you need to know about planned giving and which method would be the most advantageous for your particular financial and estate planning situation. Check with your attorney, accountant, or other tax advisor for additional information on how these general rules apply to your situation.

Always check with your accountant or other tax advisor for the advantages (and possible drawbacks) of making a planned gift, based upon your circumstances.

We appreciate your interest and support and would be pleased to provide you with additional information on the advantages of planned giving.

For more information please contact Elisa Ruoff, RMHC New York Metro Director of Major Gifts at (516) 775-5683 ext. 134 or email eruoff@rmhcnym.org

Ronald McDonald House Charities New York Metro is a 501(c)(3) nonprofit organization.