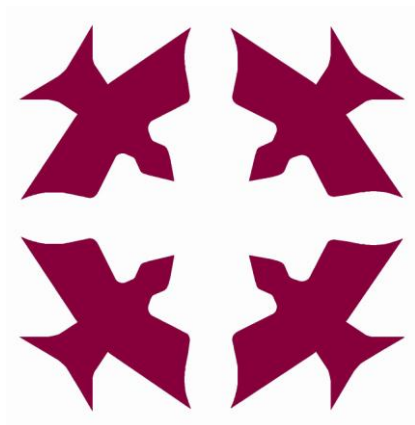


Your Future and the Future of...

## The Church of the Holy Spirit



This brochure, prepared by the Endowment Board of The Church of the Holy Spirit, summarizes the ways in which planned giving may help you, your loved ones and the Church.

# Preserving the Future of The Church of the Holy Spirit For Generations to Come...

The Church of the Holy Spirit has been built upon generous stewardship, gifts and bequests over its one hundred and three year history. Your generous planned gift will continue this tradition and help assure the future of CHS.

You may direct your gift to an existing endowment fund such as the Mission & Outreach Fund, the Clergy Fund, the Capital Improvement Fund or the Holy Spirit Fund. Or you may establish a new endowment fund at a prescribed level for a special purpose or in the name or memory of loved ones.

CHS will acknowledge annually the generosity of parishioners making planned gift commitments and bequests to CHS. Of course, you may also designate that your gift remain anonymous.

Your endowment gift will be invested prudently and distributions made according to your wishes. For generations to come your gift will touch many lives and will further the mission of The Church of the Holy Spirit.

# What is Planned Giving?

Planned giving is a way for you to help ensure the future of CHS and its ongoing missions while providing for your needs and those of your loved ones. With careful planning a donor has the opportunity to minimize income and estate taxes, provide more for his or her heirs and ultimately make a larger gift to the church than would otherwise be possible.

Planned giving can take many forms. On the following pages of this brochure a few of the more common opportunities are outlined. In some cases the best solution may be simply to provide for CHS in your will. In other cases there may be a significant benefit from one of the other options in this brochure.

The purpose of planned giving is to accumulate financial assets, the income from which will be used for the long-term needs of the parish consistent with the intentions of the donor. Planned giving is thus differentiated from annual giving, the purpose of which is to provide for the current needs of the parish.

*“For all that has been, thanks. To all that shall be, yes.’ That’s one of my favorite quotes from a great Christian, Dag Hammarskjold, words that come to mind as I think about the news contained in this brochure. Again and again, scripture reminds us that everything we have comes to us as a gift. I ask you to take this information to heart, and see how you may be called to participate in a program that will help our wonderful congregation continue to grow.”*

*The Rev. Jay Sidebotham*

## A. A Bequest in a Will

Perhaps the easiest and most common way to make a planned gift is through your will.

Wills are frequently updated to reflect changes in tax law and changes in the donor's overall estate plan, providing an opportunity for bequests. For example, under present law the federal exemption amount changes every year until 2011.

Bequests contained in a will reduce the size of the estate subject to federal and state tax. Bequests of appreciated property result in an additional benefit in that the capital gain tax is avoided.

In your will you may give to the church a set amount of money, a percentage of your estate or a specific asset. The church may be made a contingent beneficiary, to receive funds after others have been provided for to your satisfaction.

Language for including CHS in your will may be as succinct as the following statement:

*I give and bequeath to the unrestricted HOLY SPIRIT FUND of The Church of the Holy Spirit in Lake Forest, IL \_\_\_\_\_ (state amount, carefully identify the asset, or state the percentage of the estate).*

## B. Life Income Gifts

Life Income Gifts will provide income to you for the remainder of your life. A significant tax benefit is created now. In the future The Church of the Holy Spirit will receive a generous bequest. Here are several examples:

1. **Charitable Gift Annuity**. A charitable gift annuity may be established with the service provider of your choice or with the Episcopal Church Foundation. The donor receives the following benefits:

- The donor and/or a designated beneficiary will receive a fixed monthly distribution for the remainder of his or her life and/or that of the designated beneficiary. A portion of these distributions may be exempt from income tax.
- The donor will receive a current federal income tax deduction for a portion of the gift. The amount of the deduction will be based upon the age of the donor and/or beneficiaries.
- A portion of the gift is excluded from estate taxes.
- If the gift is funded with appreciated property, capital gains taxes will be avoided.

2. **Pooled Income Fund**. A pooled income fund is much like a charitable gift annuity. The funds, however, are invested in a broader range of assets, and the distributions to the donor and/or designated beneficiary will vary based on the performance of the pooled income fund.

**3. Charitable Remainder Trust.** A charitable remainder trust typically involves larger sums of money (\$100,000 or more) and is similar to a pooled income fund. In addition,

- It provides income for life, a current income tax deduction, relief from capital gains taxes if funded through appreciated property, and a possible reduction in estate taxes.
- The charitable remainder trust may receive additional contributions over time.
- A portion of the charitable remainder trust assets may be retained as a hedge against inflation.
- The donor may select any qualified trust company to act as trustee.

## C. Life Insurance

Life insurance is a convenient way to make a gift to The Church of the Holy Spirit. Examples of the use of life insurance for planned giving include:

- Purchasing a new policy and making CHS the owner and beneficiary of the policy. This may make a larger gift to CHS possible. All premium payments qualify for a tax deduction.
- Making CHS the owner and beneficiary of an existing policy. The donor receives a tax deduction in the current year equal to the value

of the policy and a tax deduction in subsequent years for future premium payments.

- Making CHS a contingent beneficiary of an existing policy. The church would receive the proceeds of the policy if the designated beneficiaries pre-decease the insured.
- Using life insurance in conjunction with another planned gift. For example, life insurance can be purchased with the income from a life income trust, which allows a gift today while preserving the value of the estate.

## D. Appreciated Property

Real estate, stocks and bonds, and other tangible property such as art, antiques and jewelry make wonderful charitable gifts. In some cases the gift will be outright, while in other cases the donor will receive a benefit for the remainder of his or her life. For example:

- Through a charitable life estate contract, you may deed your home or other real estate to CHS and still continue to live on the premises and/or receive income from the property for as long as you or your beneficiary lives. The donor receives a significant tax deduction now and excludes the value of the property from his or her estate.
- Appreciated property may be donated directly to the church, avoiding capital gains taxes.

## To Obtain Additional Information:

Members of The Church of the Holy Spirit's Endowment Board look forward to discussing these giving and legacy opportunities with you and, pursuant to your instructions, with your financial advisors. We would be pleased to provide personalized illustrations to address your particular needs. Please do not hesitate to call upon any of the members of the Endowment Board listed below:

Hank Bowman, Chair                      Emmett Kronauer  
Tom Reusché, Senior Warden      David Martin  
Monte Craig                                  Pat Sikorovsky  
John Garrett  
The Rev. Jay Sidebotham, ex officio

*All gifts to The Church of the Holy Spirit are subject to acceptance by the Gift Review Committee, which consists of the Rector, the Wardens and the Treasurer.                                  April 2006*

**This brochure is intended to be only an introduction to planned giving. Please consult with your financial advisors before making any decisions.**



**The Church of the Holy Spirit**

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