Charitable lead trusts

A charitable lead trust is the reverse of a remainder trust. The Church would receive the income from the trust for the numbers of years you specify, and at the end of that time the principal of the trust would be returned to you or distributed to your named beneficiaries.

If the property is returned to you, you would be entitled to an income tax deduction when you establish the trust, but would be subject to tax on the income paid to the Church. Alternatively, a charitable lead trust is also useful for passing property likely to increase in value to your family at little or no gift or estate tax cost.

We are here to help you help the Church

The Office of Planned Giving is here to serve you, and we would be especially pleased to discuss how one of the these planned gift techniques would express your discipleship and achieve your persona financial goals. We will work with you and your legal, tax and financial counsel in planning to meet these goals. Please contact us to discuss a gift to your parish or the Dechant Foundation in the Diocese of Dodge City in your will or other estate planning documents.

This brochure is for your information on several types of planned giving opportunities. It is not intended to be legal or tax advice. You should consult with your attorney and tax advisor for the precise planning of these transactions.

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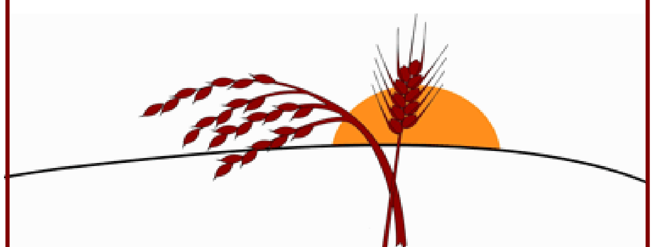

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*For where your treasure is, there also will your heart be...
Much will be required of the person entrusted with much, and still more will be demanded of the person entrusted with more."*

Luke 12:34, 48

A Disciple's Guide to Planned Giving

Perpetuating Christ's work in the Church

Fulfillment of the mission of the Church and the benefits of its saving ministry are dependent in part on the sustained support of the people in the Diocese of Dodge City. You can perpetuate this support of the good works of the Church in Southwest Kansas through a variety of planned gift methods.

"Planned giving" is simply charitable giving coordinated with your family's financial and estate plan. Therefore, the starting point for planned gifts is your planning a will. By making a lasting gift through one of these giving vehicles described below, you leave a legacy.

Outright bequests

You can include a bequest to your parish, the Dechant Foundation in the Diocese of Dodge City or other Catholic charities through your will or living trust. These gifts may take different forms: a bequest of a specific dollar amount, a specific security or other property, a stated percentage of your estate, or the residue of your estate after your other bequests and obligations have been satisfied. Any of these gifts may reduce your estate taxes.

Retirement plan assets gifts

The largest asset in your estate may be the remaining interest in your retirement plan. Not only is this value potentially subject to estate tax but also to income tax on your beneficiaries who receive the funds. This tedious combination of taxes could consume much of the value of the IRA. However, through careful planning you can give the remaining value of your retirement plan to the Church, potentially reducing taxes significantly. Combined with other planning, this may leave more for your family and other beneficiaries than would otherwise be possible.

Charitable gift annuities

Charitable gift annuities are among the most popular of the planned giving vehicles for many donors. To establish a gift annuity you simply deposit money or other property with the Dechant Foundation in the Diocese of Dodge City in exchange for the foundation's irrevocable promise to pay a fixed amount for life to you or your beneficiary. A portion of the annuity income would be tax-free. In most cases, any gain realized on the deposit of the property for the annuity would be recognized over the time of the annuity payments. You would be entitled to a charitable income tax deduction based on the age of the annuitant and interest tables published by the Internal Revenue Service.

The Dechant Foundation would have immediate use of the funds you deposit, but would have the irrevocable obligation for the annuity payments to you or your beneficiary. The foundation would satisfy this obligation out of any of its funds, not just the funds you deposit.

Charitable remainder trusts

A charitable remainder trust can save estate tax, and if established during your lifetime, income tax as well. Under the terms of the trust agreement, you or your designated beneficiaries would receive an income distribution for life or a term of years, and then the remainder interest would pass to the Church.

A charitable remainder trust established during your lifetime would give you an immediate income tax charitable contribution deduction based on the income beneficiaries' ages and the stated rate of distribution to them. Since the trust does not pay taxes, assets such as appreciated securities that generate little or no current income are ideal for establishing a lifetime charitable remainder trust. Retirement plan assets as discussed above, are useful for a charitable remainder trust established though your will or living trust.

Replacing assets with life insurance

With life insurance, you can replace the estate assets transferred to the Church though a charitable gift annuity or remainder trust. An irrevocable trust or other entity not includible in your estate would you own the policy. It is likely your children would have received those transferred assets, so they would be the ultimate beneficiaries of the insurance proceeds paid to the trust. The income tax savings from the charitable contribution deduction and possibly increased cash flow from the gift annuity or trust would generate funds to pay the insurance premiums.