



PLANNING YOUR GIFT

planning for the future



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All the photographs in this brochure are Denver Seminary students, alumni, faculty and staff.



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THE REWARDS OF CREATIVE GIVING

a letter from the president



God uses His people to change lives. That fundamental truth gives each and every one of us the privilege of believing that God can use **us** to make in a difference in

the lives of others. At Denver Seminary we believe that the generous giving of God's people makes a difference in the lives of others all over the world through the ministries of our graduates. In other words, an investment in the work of Denver Seminary will be multiplied many times over for generations to come. Now that's kingdom vision!

Through creative and wise gift planning you can maximize the effect of your giving while meeting your family's financial needs and minimizing your tax liability. This booklet explores several options to help you plan carefully. A chart in the center of the booklet helps you

evaluate which approach may be best for you. We encourage you to consider a current or deferred gift to Denver Seminary as a way to make a difference for Christ for years to come. As always we recommend that you obtain professional legal and financial advice when making your decision. Our Office of Advancement can work with you and your professional advisors to help plan your gift.

Thank you for including Denver Seminary in your giving plans. We will do everything possible to insure that your gift is used for the sake of the gospel around the world. May the Lord richly bless you and give you wisdom as you make these critical decisions.

With great appreciation,

A handwritten signature in black ink that reads "Mark Young". The signature is written in a cursive, flowing style.

Mark Young, PhD
President

CASH, SECURITIES, & PERSONAL PROPERTY

your benefits depend on the asset...



Any type of asset that you irrevocably donate to a charitable organization like ours results in a current income tax deduction. But there may be other tax benefits to your contribution, as well.

Giving cash is the simplest method. But if you contribute long-term appreciated securities to us, you have the added benefit of owing no tax on the gain.

You can also give us tangible personal property (like an art object, prized collection or antiques) and take a deduction for its full fair market value if the gift is related to our exempt function.

These are but three of the types of assets you can donate outright for us to receive immediately. Or you can use them to fund a planned gift that gives you lifetime income before we receive the gift.

But there are even more potential benefits if you plan your gift creatively.

BENEFITS

- Gifts of cash result in a current income tax deduction
- Gifts of securities also provide relief from capital gains tax
- Donations of personal property allow for meaningful gifts
- All contributions to us are used to help fulfill our mission

CLOSELY HELD STOCK

a gift that lets everyone win...

BENEFITS

- Income tax deduction for the charitable contribution
- No capital gains tax on the appreciation in value
- No second tax on accumulated earnings by averting a dividend distribution
- You maintain control of the corporation

If you own a sizable block of stock in a closely held corporation, you may have a gift option that makes everyone happy.

Suppose you decide to donate some shares (few enough that you retain 50% ownership). We present the stock to your corporation for redemp-

tion and your corporation uses retained earnings for the purchase. We win because we receive much needed funds. But you and your corporation also win.

There's one caveat: the IRS has ruled that you cannot legally bind a charitable organization to go through with the redemption at the time it receives the shares. But a charitable organization may independently offer the donated stock for redemption. It's a favorable option that benefits you and us.



LIFE INSURANCE

a versatile tool for many purposes...



When you first obtained your life insurance policies, you obviously felt a need for them. But perhaps you don't need all that coverage today. Yet you still have those policies.

If you're thinking about a contribution to us, a gift of your life insurance could be a sensible as well as generous course of action.

You can also use life insurance to replace the value of a different gift. For example, you could donate stock to us because of the tax advantages and purchase life insurance to benefit your heirs in the amount they would have received had you left them the stock.

BENEFITS

- Charitable deduction when you name us beneficiary and assign us ownership
- Flexibility through naming us beneficiary but keeping ownership
- Security for your family by naming us contingent beneficiary
- Reduction in estate taxes because proceeds are removed from your estate

REAL ESTATE

donating it can be smarter than selling it...

Are you thinking of selling land or a building? Beware of capital gains tax!

If you sell your primary residence, you can exclude up to \$250,000 (\$500,000 if you're married) of the gain. But this tax break doesn't apply to other types of real estate, so you may have a better alternative.

A charitable contribution of real estate—whether it's your personal residence, a vacation home, a farm, commercial real estate or vacant land—will give you numerous advantages.

When you give your home or other real estate to us, you create an enduring testimonial of your interest in our mission. And what's more, your personal satisfaction is complemented by valuable tax benefits.

BENEFITS

- Income tax charitable deduction for the full fair market value
- Avoidance of tax on the property's appreciation
- No hassle from trying to sell the property
- No gift tax, plus a reduction of your taxable estate



CHARITABLE GIFT ANNUITY

a way to boost your rate of return...

The concept of a gift annuity is simple. You donate assets that we reinvest. We agree to make fixed payments to you for life (and, if desired, for another beneficiary's lifetime). Then, the funds are available for our use.



A charitable gift annuity is particularly attractive because the rates (based on your age) typically produce higher yields than you would receive in the stock and bond markets.

And when this aspect is combined with partially tax-free funds, the effective rate of return is even higher.

BENEFITS

- Lifetime payments for yourself and possibly another person
- Charitable deduction for a portion of the value of the gift
- Part of the annual payments is considered a tax-free return of capital
- Capital gains tax savings when you contribute appreciated securities

CHARITABLE LEAD TRUST

give away the fruit, but keep the tree...

Are you concerned about the possibility of the government taking a huge part of the assets you were planning to leave your heirs?

There's a way to pass assets to your family with significant estate tax savings while at the same time making a gift to us. It's called a charitable lead trust.

After we receive income from assets in the trust for a period of years, the principal goes to your family, with estate or gift taxes usually reduced or even eliminated.

The lead trust is an exceptional way to transfer property to your children or other heirs at minimal tax cost. It's ideal if you're willing to forgo investment income on an asset but don't want to force your heirs to surrender the principal.

With a lead trust, you carry out your philanthropic plans over the coming years *and* save on taxes.

BENEFITS

- Can be funded during your lifetime or through your will
- You support our mission through annual income payouts
- Reduces your taxable estate and potential gift taxes
- Assets can be kept in the family





BENEFITS OF GIVING CHART

choose the gift option that matches your goals...

YOUR GIFT	CASH GIFT	APPRECIATED ASSETS	PERSONAL PROPERTY	LIFE INSURANCE	REAL ESTATE	CHARITABLE GIFT ANNUITY	CHARITABLE LEAD TRUST	BEQUEST	LIVING TRUST	RETIREMENT PLAN ASSETS	RETAINED LIFE ESTATE	CHARITABLE REMAINDER ANNUITY TRUST	CHARITABLE REMAINDER UNITRUST
IF YOUR GOAL IS TO	Make a quick and easy gift	Avoid tax on capital gains	Share your enjoyment of a collection or other personal item	Make a large gift with little cost to yourself	Avoid capital gains tax on the sale of a home or other real estate	Supplement income with a guaranteed, fixed amount that is partially tax free	Reduce gift and estate taxes on assets you pass to children or grandchildren	Defer a gift until after your lifetime	Make a revocable gift during your lifetime	Avoid the twofold taxation on IRA or other employee benefit plans	Give your personal residence or farm now but continue to live there	Secure a fixed and often increased income	Create a hedge against inflation over the long term
THEN YOU CAN	Simply write a check or make a cash donation now	Contribute long-term appreciated stock or other securities	Donate tangible personal property related to our exempt function	Contribute a life insurance policy you no longer need and/or name us as beneficiary	Donate the property to us, or sell it to us at a bargain price	Enter a charitable gift annuity contract with us that pays a guaranteed income annually	Create a charitable trust that pays fixed or variable income to us for a specific term of years; principal retained for heirs	Name us in your will (designate a specific amount, a percentage or a share of the residue)	Name us the beneficiary of assets in a living trust	Name us as beneficiary of the remainder of the assets after your lifetime	Designate ownership of your home to us, but retain occupancy	Create a charitable trust or a charitable gift annuity that pays you a set income financially	Create a trust that pays a fixed percentage of trust's assets as revalued annually
AND YOUR BENEFITS ARE	Immediate income tax deduction and possible estate tax savings	Immediate charitable deduction plus avoidance of capital gains tax	Charitable deduction based on the full fair market value	Current income tax deduction and possible future deductions through gifts to pay policy premiums	Immediate income tax deduction plus reduction or elimination of capital gains tax	Current and future savings on income taxes and stable income for life	Reduces your taxable estate and your family keeps the property, often with reduced gift taxes	Donation is exempt from federal estate taxes	You maintain control of the trust for your lifetime plus possible estate tax savings	Allows less costly assets for your heirs	Valuable charitable income tax deduction and lifetime use of residence	Immediate income tax deduction and fixed income for life, often at a higher rate of return	Receive a variable income for life and immediate income tax charitable deduction

A CURRENT WILL

the foundation of a solid plan...

Have you put off making or updating your will? Maybe you think it costs too much to make a will. Perhaps you're having a hard time deciding about how to leave your money. Or you may simply have an aversion to confronting your mortality.

Drafting a will may seem like a daunting task at first, until you realize all the good that comes from having a will.



A bequest in your will lets you pass any amount you wish to us free of estate tax. You can give cash or specific property, a dollar amount or a percentage of your estate, with restrictions or without.

To make sure your will accomplishes your goals according to your wishes, we recommend that you obtain the professional counsel of an attorney who specializes in probate and estate planning.

BENEFITS

- Lets you provide for your family after your death
- Allows you to distribute your assets according to your wishes
- Saves on estate taxes, with proper planning
- Lets you leave a legacy without giving up assets now

A LIVING TRUST

you keep control of your assets...

A living trust lets you provide for yourself and your family before and after your death. It has a built-in flexibility that can work very well with your overall estate plans, because it allows you to stay in control of your assets.

Like wills, living trusts are fully revocable, so you can change or terminate them at any time during your life. But unlike wills, the terms of a living trust can be put into effect immediately.

You can also arrange a contribution to us through a living trust by naming us as the ultimate beneficiary. This method of giving is attractive because you still have complete control of the assets during your lifetime.



BENEFITS

- You or a beneficiary receive the income from the trust assets
- You're in charge, but a professional trustee may do the detail work
- You name who will ultimately receive the trust remainder
- The trust assets bypass probate, so the terms are private
- Assets in the trust are removed from your probate estate, so estate expenses may be less

YOUR RETIREMENT PLAN ASSETS

they could be a time bomb...

Did you know that your retirement plan assets are facing double taxation? If you leave the assets to your heirs, you'll generate "income in respect of a decedent." So not only is the amount diminished by estate taxes, but the recipient also must pay income taxes on it!

If you can make other provisions for your family, there's a better option for your retirement plan assets—a charitable gift.

Example: Bill is considering adding a charitable bequest to his will, with the residue of his estate passing to his children. Instead, he should consider naming the charitable organization as beneficiary of his profit-sharing account. Then the death benefit passing to the organization will not only qualify for the estate tax charitable deduction but will also pass free of any income tax obligation. His children will benefit from this change because, rather than getting the profit-sharing account proceeds that are subject to income tax, they will receive

other assets of his estate that are free of income taxes.

To implement your wishes, simply advise the plan administrator of your decision and sign whatever form is required. For an IRA or Keogh plan you administer personally, notify the custodian in writing, and keep a copy with your valuable papers.

BENEFITS

- Naming us the primary beneficiary avoids all income and estate taxes
- Partial savings when you give us a specific amount before giving family the remainder
- Naming us the contingent beneficiary allows for greater flexibility
- Donating retirement plan assets could be the most cost-effective gift you can make

RETAINED LIFE ESTATE

an option that lets you have it both ways...

Let's assume you like the tax advantages that a charitable gift of real estate would offer, but you want to continue living in your personal residence for your lifetime. Did you realize you can give us your home, even though you continue living there?

It's true. It's called a retained life estate.

A gift of your home, farm, vacation home or condominium, even with stipulations about occupancy, results in a charitable deduction on your income tax.

The retained life estate may also provide you with a way to let someone other than you or your spouse (perhaps a sibling or child) have life occupancy of your home with reduced tax obligations.

BENEFITS

- Lifetime use of the residence for you and/or another person
- Income tax savings through charitable deduction
- Estate tax savings for you and/or another person (if the other person is your spouse)
- Ability to gift only partial interest in property and receive tax advantages



CHARITABLE REMAINDER ANNUITY TRUST

a gift to us with predictable benefits to you...

CHARITABLE REMAINDER UNITRUST

a gift to us with flexible benefits to you...

BENEFITS

- A fixed dollar income paid annually, semi-annually or quarterly
- Immediate charitable deduction
- A way to increase income from a low-yield holding
- Freedom from investment management
- Avoidance of capital gains tax on appreciated assets used to fund the trust.

If you're disappointed in the yield from your current investments in the stock and bond markets, yet you want to avoid the capital gains tax should you sell, try a charitable remainder annuity trust.

This plan will pay you, year after year, the same dollar amount you choose at the outset. The income payments are fixed, based on the starting valuation.

Then after your lifetime (and the lifetime of a surviving beneficiary, if desired), the trust remainder is available to support our mission.

The charitable remainder annuity trust is more than an eventual gift to us. It lets you give away the tree and still keep the fruit, because you receive an increased income from your donation.



A charitable remainder unitrust is like a combination of a gift and an investment plan. You place assets in trust and you (and/or another beneficiary) receive lifetime income from them, then we receive the remainder.

With a unitrust, the amount you receive as income is a set percentage of the value of the trust assets, redetermined annually.

Example: Jane, age 60, has stocks currently valued at \$100,000 and yielding a 2% dividend. She transfers them to a unitrust, incurring no capital gain. She arranges to receive 7% of the fair market value of the unitrust assets each year, payable quarterly. She receives an income tax deduction based on U.S. Treasury tables. The first year, she's entitled to \$7,000 (7% of \$100,000). The next year, if the value of her trust has increased, so will her income payments, so Jane can have a built-in hedge against inflation.

You also have the option of choosing a unitrust with a net income plus makeup provision. That way, in years when the actual yield is below the stated percentage, you receive only that amount.

Then in later years, when the beneficiary needs more income, the trustee can invest the assets to generate a higher return and make up earlier deficiencies.

This option is excellent for devising a supplemental retirement plan—we can provide you with more details.

BENEFITS

- Lifetime income (often greater than the yield on contributed assets)
- A sizable income tax charitable deduction
- Avoidance of capital gains tax if you donate long-term appreciated securities
- Make a significant gift to charity

HOW TO REMEMBER US IN YOUR WILL

making a bequest is easy...

Many people have good intentions about providing for our organization, but often they never quite get around to doing it. Perhaps you've been considering a gift to us, but your cash flow prevents an outright gift.

Please consider the various deferred gifts discussed in this booklet. And keep in mind that one of the simplest ways for you to make a future contribution to us is through your will.

Example: To expedite your good intentions, here's a recommended clause for making an outright unrestricted bequest to us.

Denver Seminary is to receive the sum of [indicate specific percentage or amount].

This bequest is unrestricted, and the board of trustees or other governing body may use and expend the same for the benefit of Denver Seminary in any manner it deems appropriate.

If you make annual gifts to us and would like to continue your support even after your lifetime, you can arrange an endowment through your will. This ensures that your gift continues perpetually.

If you're planning to make us one of your beneficiaries, we encourage you to tell us now. That way, we can help you get the greatest possible satisfaction from your gift.



The information in this publication is not intended as legal advice. For legal advice, please consult an attorney.

THE MISSION OF DENVER SEMINARY

*To glorify God
by equipping leaders
to think biblically,
live faithfully
and lead wisely
for a lifetime.*