

Frequently Asked Questions: Planned Giving

Giving has many benefits, both emotional and tangible. It feels good to invest in others, and there are real tax benefits for you. If you are interested in making charitable giving a part of your legacy, a conversation with your attorney/financial advisor may be appropriate. They can assist you in determining the most effective way to maximize the impact of your gift to the organization and your family. The *3HC Legacy Society* was established to honor those who create a personal legacy in support of 3HC's family-centered programs and services by naming 3HC in planning their estates or trusts.

Q: What is planned giving?

A: Generally speaking, a planned gift is made using the assets of your estate -- as opposed to giving cash from your salary or income. Planned giving is also referred to as charitable estate planning and is often done in conjunction with your estate planning financial and legal advisors.

Q: Who can participate in the planned giving program?

A: Any individual person or couples who may want to continue to support 3HC in this long-term manner. Age is not important; commitments are welcome from everyone.

Q: Why should I make a planned gift?

A: Each year millions of people find creative ways to contribute to their favorite non-profit organizations. Donors give to honor or memorialize a loved one, or to express gratitude for a service well-performed. Whatever the motivation for your gift, a planned gift can give you the assurance that you are being a good steward of your assets by increasing the benefits for yourself, family members, and the organization receiving the gift.

Q: What is the most common planned gift?

A: A bequest is the most common planned gift, by which the donor names a charity or charities in their will. Bequests represent approximately 80% of all planned gifts.

Q: When making a bequest, do we have to specify a dollar amount in our wills?

A: No. You have several choices: a specific dollar amount, a percent of your estate, or what is left in your estate after other bequests are fulfilled.

Q: Why do I need an estate plan?

A: Almost everyone should have an estate plan, even though people think that estate planning is only for the rich. In fact, the more modest your estate, the more important it is to arrange for its careful handling and disposition of your assets after your passing. Plus, after you examine your assets, you may find that you have more than you originally thought.

Q: Do I need an attorney before establishing a planned gift for 3HC?

A: It depends. Naming a charity as the beneficiary of a life insurance policy or a bank account with TOD (transfer on death) to the charity doesn't require an attorney. However, gifts involving the charity being named in a will or trust, or if an annuity is involved will probably require an attorney or financial advisor to be involved. We always encourage donors to consult with an attorney and/or their financial advisor before making any major or planned gifts to 3HC.

Q: Does any type of planned gift have a minimum financial level?

A: No. Gifts in all amounts are welcome and valuable.

Q: I have children and grandchildren; shouldn't I leave my estate to them?

A: This is a very personal decision for every individual. There can be an example set for succeeding generations in a family that demonstrates the importance of charitable giving as a family value. Making gifts to charity doesn't increase a family's monetary wealth, but if the children and grandchildren have established themselves and really don't need more money, a great deal of good can be done through the gift to the charity.

Q: Is it difficult to gift stock? What do you do? What is the advantage?

A: If your goal is to avoid tax on capital gains and you have stock that has gone up considerably since it was acquired, you might consider gifting it to 3HC. The process is quite simple. Tell your advisor that you would like to make a stock donation to 3HC or call the Director of Philanthropy at 3HC directly; we will work with your advisor or you to make the process as simple as possible. Then, you can enjoy a charitable deduction plus no capital gains tax on the increase in value. This is a better way to make a charitable gift than selling the stock first, paying a capital gain, and then writing a check for a contribution.

Q: What happens if I want to change my planned gift arrangements?

A: Many planned gift strategies can be changed during the remaining years of your life to reflect changes in your life. Often a donor is able to increase a planned gift as a result of favorable economic conditions, changes in the family, life span of the donor, memorial opportunities for loved ones, and new inspiring opportunities at the hospital. Adverse conditions may also call for changes, of course. A gift annuity, however, is fixed once it is established and payments begin to the donor.

Q: I have a number of paid-up life insurance policies, some of which I or my family don't necessarily need. Is there an advantage to donating them to charity?

A: If 3HC is named owner of a policy instead of yourself, you will normally receive an income tax deduction for the policy's fair market value or cost basis, if lower, on the date of the gift. If you keep ownership of the policy and name the charity as the beneficiary, there will be no charitable deduction for income taxes. If you have 3HC as a beneficiary of the policy (and retain ownership), you will obtain flexibility and secure your family's needs first. For federal estate tax purposes naming the charity as beneficiary makes the asset have no additional estate tax consequences.

Q: How would I begin to consider a planned gift?

A: You may call the Philanthropy department and ask to be contacted by someone who can answer your questions. The Philanthropy department has a packet of information to help you with planning, with information describing some of the ways to make a gift which can be passed on to you.

Q: Do I need to let you know if I have included 3HC in my estate plans?

A: We recommend that you notify the Director of Philanthropy. This will enable us to not only show our appreciation for your generosity, but also to include your support in planning for the future of 3HC. Those who have made a planned gift to 3HC are invited to join *3HC's Legacy Society*.

Take the first step by contacting April Brantham, Director of Philanthropy, at 919.735.1387, ext. 1072 or abrantham@3HC.org. Including 3HC in your estate plan will benefit patients & families served by 3HC.

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