

Shape Your Legacy *and Transform Lives* *for Generations*



Shriners Hospitals
for Children®

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Madelyn & Cristian

Shriners Hospitals for Children 2019-20 National Patient Ambassadors

Your philanthropic legacy begins with a cause that is dear to your heart, where you know that you can truly make a difference and where your generosity will be maintained and multiplied through sound management practices.

A gift to Shriners Hospitals for Children® offers a remarkable opportunity to improve the lives of children and families, now and in the future.

Inside you will see that there are many ways that a planned gift, such as a gift in your will, can make quality care a reality for children with neuromusculoskeletal conditions, severe burns and other special health care needs. There are also many gifts that offer you benefits, such as tax savings.

Including Shriners Hospitals for Children in your will or as a beneficiary will strengthen our ability to provide transformative care to the children for years to come. Leaving a Legacy of Love is easier than you think!

How to Remember Shriners Hospitals for Children in Your Will

MAKING A GIFT IS SIMPLE BUT SIGNIFICANT

A will is an important way to extend your love and generosity to family, friends and causes you support, such as Shriners Hospitals for Children. Here is the language you should discuss with your attorney:

General bequest

I give and bequeath \$_____ or _____% to Shriners Hospitals for Children, a corporation, for the use and benefit of all of its locations, or its successors in interest.

Bequest of residue

I give, bequeath and devise all of the rest, residue and remainder of my estate, whether real or personal, and wherever situated, to Shriners Hospitals for Children, a corporation, for the use and benefit of all locations or to its successors in interest.

Bequest to a specific location

I give and bequeath to Shriners Hospitals for Children, a corporation, for the use and benefit of its (named) location, or to its successors in interest.

Devise of real estate

I give and devise to Shriners Hospitals for Children, a corporation, or to its successors in interest, all that certain parcel of real property described as hereinafter set forth; (here describe the real property)

Designation of beneficiary for life insurance policies or pension plans (IRA, retirement savings plans, etc.)

(To be furnished to insurance company or plan administrator on their form) I hereby designate Shriners Hospitals for Children, a corporation, beneficiary of Policy No. _____ or _____ plan.

If you designate a gift to Shriners Hospitals for Children, we encourage you to let us know. That way, we can ensure that your gift is used exactly as you intend.

A Current Will or Trust

VITAL DOCUMENTS

Have you put off updating your will or living trust? Perhaps you are having a hard time deciding how to leave your money, or you haven't prioritized the time to work with your financial and estate advisors.

Revisiting these documents may seem like a daunting task, until you realize all the good that comes from them.

A gift to Shriners Hospitals for Children in your will or living trust lets you make a meaningful gift with ease and be flexible in your commitment. You can give cash, specific property or a percentage of your estate, with restrictions or without. Because your gift doesn't come to Shriners Hospitals for Children until after your lifetime, you can change your mind at any time.

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 estate planning.

Benefits

- Balance your commitment to family with a desire to support Shriners Hospitals for Children.
- Distribute your assets according to your wishes.
- Save on estate administration costs with proper planning.
- Leave a legacy without giving up assets today.



DID YOU KNOW?

Shriners Hospitals for Children cares for children at 22 locations across the United States, Canada and Mexico – regardless of the families' ability to pay.

Your Retirement Plan Assets

COSTLY TO INHERIT

Did you know that a portion of your retirement plan assets can be consumed by taxes when given to your family?

To eliminate taxation of these assets, many people use their retirement plan assets to make gifts to tax-exempt charitable organizations, such as Shriners Hospitals for Children, and leave assets that are less heavily taxed to family.

If you can make other provisions for your family, there is a better option for your retirement plan assets – a charitable gift after your lifetime.

To name Shriners Hospitals for Children as the beneficiary, first consult your advisor, then instruct the plan administrator of your decision and sign whatever form is required. For an IRA or 403(b) plan you administer personally, notify the custodian in writing and keep a copy with your valuable papers.

Benefits

- Eliminate all federal income taxes when you name Shriners Hospitals for Children as the sole beneficiary.
- Receive partial savings when you give Shriners Hospitals for Children a specific amount before giving your family the remainder.
- Name Shriners Hospitals for Children as the contingent beneficiary, which allows for greater flexibility.
- Make the most cost-effective gift you can make, saving other less-taxed assets for loved ones.

EXAMPLE

Bill wants to provide for his children, but he also wishes to leave a charitable gift to Shriners Hospitals for Children. Bill decides to pass on income tax-free inheritances such as real estate, cash and life insurance to his heirs and give his retirement plan assets to Shriners Hospitals for Children. The assets in his account will pass to Shriners Hospitals for Children free of any income tax obligation.

Life Insurance

A VERSATILE TOOL FOR MANY PURPOSES

If your situation has changed since you first obtained your life insurance policies, you might be interested in donating unneeded policies to Shriners Hospitals for Children.

If you are thinking about a contribution to Shriners Hospitals for Children, a gift of your life insurance could be a sensible, as well as generous, course of action. If you make Shriners Hospitals for Children owner of the policy, you may qualify for an income tax deduction for the policy's fair market value or cost basis, if lower, on the date of the gift. If you name Shriners Hospitals for Children beneficiary of the policy (and retain ownership), you won't be eligible for current tax benefits because the gift is revocable at any time.

Life insurance policies are secure and confidential. If you make Shriners Hospitals for Children policy owner and beneficiary, it's not included in probate and remains confidential.

Benefits

Name Shriners Hospitals for Children as owner

- May qualify for an income tax charitable deduction when you name Shriners Hospitals for Children as beneficiary and assign us ownership.
- Receive potential future income tax deductions when you name Shriners Hospitals for Children as owner and continue to pay premiums.

Name Shriners Hospitals for Children as beneficiary

- Obtain flexibility by naming Shriners Hospitals for Children as primary beneficiary but keeping ownership.
- Secure your family's needs first by naming Shriners Hospitals for Children as contingent beneficiary.



3 OPTIONS: LIFE INSURANCE POLICIES YOU CAN GIVE

- 1.** A recently issued policy
- 2.** An existing policy in premium-paying mode
- 3.** A paid-up life insurance policy



\$38 Million
*Invested in
Research Annually*

2019 Shriners Hospitals for Children®
Annual Report

Real Estate

A TAX-WISE GIFT

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

If you sell your primary residence, you may exclude up to \$250,000 (\$500,000 if you are married) of the gain. This tax break does not apply to other types of real estate, however, so you may have a better alternative.

A charitable contribution of real estate – whether it is 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 Shriners Hospitals for Children, you create an enduring testimonial of your interest in improving the lives of children and families. Your personal satisfaction is also complemented by tax benefits.

Benefits

- May qualify for an income tax charitable deduction for the full fair market value.
- Eliminate tax on the property's appreciation.
- Avoid the hassle of trying to sell the property.
- Make a gift to support children in our care, and reduce your estate administration expenses.



DID YOU KNOW?

Even if your property has lost value in recent years, for tax purposes it is still appreciated if its current value is more than what you originally paid for it.



Retained Life Estate

AN OPTION THAT LETS YOU HAVE IT BOTH WAYS

Enjoy the tax advantages that a charitable gift of real estate offers, but continue living in your personal residence during your lifetime.

With a retained life estate gift, you can give Shriners Hospitals for Children your home (or farm) and occupy it for life.

The property doesn't have to be your primary home, but it must be a personal residence (such as a vacation home or condominium). You'll still pay property taxes, maintenance costs and insurance, but qualify for numerous tax benefits.

Benefits

- Use the residence for your life and/or another person's life.
- May qualify for an income tax savings through a charitable deduction for a portion of your home's value.
- Reduce estate administration costs.
- Avoid the hassle of selling the property at a future date.

Compare Your Options

FIND THE RIGHT GIFT FOR YOU



Use this chart on the next two pages to identify the gift that best fits your financial and charitable goals.

	Pays You Income	Impact on Shriners Hospitals	
		Immediate Impact	Impact After Your Lifetime
Gift of Life Insurance Page 6		✓	
Gift of Real Estate Page 8		✓	
Gift of Securities Page 12		✓	
Charitable Lead Trust Page 18		✓	
Gift in Your Will or Trust Page 4			✓
Gift of Retirement Plan Assets Page 5			✓
Retained Life Estate Page 9			✓
Charitable Remainder Trusts Pages 16-17	✓		✓
Charitable Gift Annuity ² Page 14	✓		✓

¹Assuming long-term appreciated assets

²Not available in some states or from some organizations

Compare Your Options

CONTINUED

	Tax Benefits			Additional Benefits
	Potential Income Tax Benefits	Future Income Tax Benefits	Capital Gains Tax Benefits ¹	
Gift of Life Insurance Page 6	✓	✓		Make a larger gift than you thought possible.
Gift of Real Estate Page 8	✓		✓	Improve your cash flow by not having to pay real estate taxes, maintenance and insurance.
Gift of Securities Page 12	✓		✓	Make an impact with more potential for tax benefits.
Charitable Lead Trust Page 18				Support us now and provide for your loved ones in the future.
Gift in Your Will or Trust Page 4				Make a flexible gift.
Gift of Retirement Plan Assets Page 5				Allow less heavily taxed assets to be passed to loved ones.
Retained Life Estate Page 9	✓			Have lifetime use of residence.
Charitable Remainder Trusts Pages 16-17	✓		✓	Use appreciated assets to maximize your tax benefits.
Charitable Gift Annuity² Page 14	✓	✓	✓	Receive fixed payments for life.

¹Assuming long-term appreciated assets

²Not available in some states or from some organizations

Appreciated Securities

ASSETS WORTH DONATING

Any type of asset that you irrevocably donate to a nonprofit organization like Shriners Hospitals for Children may qualify for an income tax charitable deduction, but there are other potential tax benefits from your contribution.

If you contribute appreciated securities that you have held more than one year, which have increased in value since your purchase, you have the added benefit of eliminating the tax on the gain.

If you aren't ready to give these assets during your lifetime, a gift of securities through your will or living trust allows for more flexibility. You can continue to receive dividends and participate in shareholder votes, and the securities are still yours if you need them for other expenses.

Using assets other than cash allows you more flexibility when planning your gift, and there are even more potential benefits if you plan your gift creatively.

Benefits

- May receive an income tax deduction for gifts of securities when you itemize.
- May provide relief from capital gains tax with gifts of securities.
- Help Shriners Hospitals for Children change lives with your contributions.

EXAMPLE

Dave has stocks currently valued at \$25,000 that he purchased for \$10,000 several years ago, which will result in a \$15,000 capital gain if he sells the securities. Dave decides to donate the stock to Shriners Hospitals for Children instead of selling it. By doing this, Dave receives an income tax charitable deduction for the full fair market value of \$25,000, and eliminates any capital gains tax.

1.4+ Million
Children Treated
Since 1922



Charitable Gift Annuity

A GIFT THAT PAYS YOU FOR LIFE

A charitable gift annuity is attractive because it ensures you a stream of income that you can't outlive. It is also a superb way to make an enduring gift that supports Shriners Hospitals for Children when the balance becomes available for Shriners Hospitals for Children's needs.

The concept of a gift annuity is simple. You donate assets that Shriners Hospitals for Children invests. Shriners Hospitals for Children agrees to make fixed payments to you for life (and, if desired, for another beneficiary's lifetime). At the end of the agreement, the funds are available for Shriners Hospitals for Children's use.

The rate you receive is determined by your age on the date of the gift. Annuity rates are higher for older donors, but the rate remains constant once the gift is made. For two lives, the rates are slightly lower because the period of payment is usually longer.

California residents: Annuities are subject to regulation by the State of California. Payments under such agreements, however, are not protected or otherwise guaranteed by any government agency or the California Life and Health Insurance Guarantee Association. **Oklahoma residents:** A charitable gift annuity is not regulated by the Oklahoma Insurance Department and is not protected by a guaranty association affiliated with the Oklahoma Insurance Department. **South Dakota residents:** Charitable gift annuities are not regulated by and are not under the jurisdiction of the South Dakota Division of Insurance.

Benefits

- Receive lifetime payments for yourself and possibly another person.
- May qualify for an income tax charitable deduction for a portion of the gift.
- Secure partially income tax-free payments.
- Save on capital gains taxes when you contribute appreciated securities.



A Preview of Payment Rates

One Life		Two Lives	
AGE	RATE	AGES	RATES
60	3.9%	60/65	3.7%
65	4.2%	65/70	4.0%
70	4.7%	70/75	4.3%
75	5.4%	75/80	4.9%
80	6.5%	80/85	5.8%
85	7.6%	85/90	7.1%
90+	8.6%	90/95+	8.4%

Rates are subject to change. Please contact us for a personalized illustration.

Charitable Remainder Annuity Trust

A GIFT TO SHRINERS HOSPITALS FOR CHILDREN WITH PREDICTABLE BENEFITS TO YOU

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

With this type of gift, you, or another beneficiary if you choose, receive a fixed dollar amount each year for life or for a period of up to 20 years from assets you place in a trust. At the end of the trust term, the balance in the trust goes to the charities of your choice, enabling countless others to reap future benefits from your generous gift.

Benefits

- Receive a fixed dollar income paid annually, semiannually, quarterly or monthly.
- May qualify for a partial charitable deduction.
- Increase income from a low-yield asset.
- Gain freedom from investment management.
- Eliminate up-front capital gains tax on long-term appreciated assets used to fund the trust.

EXAMPLE

Carol, 80, depends on income from her portfolio of securities.

Lately, the current yield of her holdings has averaged only 2% (about \$5,000). Carol decides to establish a charitable remainder annuity trust, funding it with appreciated stocks worth \$250,000 that had originally cost her \$100,000. The trust pays Carol 6%, or \$15,000, each year. She is also entitled to a charitable deduction of \$133,820 (based on a 1.2% charitable midterm federal rate).

What's more, the trust can sell the stock without incurring any capital gains tax. After her lifetime, the trust's balance will go to Shriners Hospitals for Children.

Charitable Remainder Unitrust

A GIFT WITH BUILT-IN FLEXIBILITY

A charitable remainder unitrust is a gift to Shriners Hospitals for Children, but it's so much more. This unique gift option also allows you to enjoy supplemental income and qualify for tax benefits.

Your unitrust can be tailored to fit your circumstances, but the concept of this gift is simple. You fund a unitrust with assets (appreciated securities generate the greatest net savings for you). The amount you receive as a life income varies each year and is a set percentage (you choose it at the start) of the current value of the unitrust, determined annually.

After your lifetime (and, if you wish, that of a survivor), or a period of up to 20 years, the balance of your trust supports children in our care.

Benefits

- Receive lifetime variable income (often greater than the yield on contributed assets).
- May qualify for an income tax charitable deduction.
- Eliminate up-front capital gains tax if you donate long-term appreciated securities.
- Make a significant gift to one or more charitable organizations.

EXAMPLE

Helen, 65, owns \$200,000 in stocks that she no longer needs.

The stocks, purchased many years ago for \$50,000, pay her a dividend of only 1.1%. Helen decides to give her stock to a charitable remainder unitrust she creates. Each year it will pay her 6% of the fair market value of the trust assets. Helen receives an income tax charitable deduction of \$77,544* and she increases her income this year from \$2,200 to \$12,000.

**Based on a 1.2% charitable midterm federal rate.*

Charitable Lead Trust

PRESERVE AN INHERITANCE

Do you want to provide an inheritance to your children and make a significant gift to Shriners Hospitals for Children? A charitable lead trust can help you with both objectives.

You transfer cash or other assets that are appreciating in value into a trust you create with the intention of supporting Shriners Hospitals for Children first for a term of years and then returning the remaining assets to your family.

The lead trust is an exceptional way to carry out your philanthropic plans and transfer property to your children or other heirs at minimal tax cost.

There are two ways that charitable lead trusts make payments to Shriners Hospitals for Children:

- 1 A charitable lead annuity trust** pays a fixed amount each year to Shriners Hospitals for Children and is more attractive when interest rates are low.
- 2 A charitable lead unitrust** pays a variable amount each year based on the value of the assets in the trust.

Benefits

- Fund the trust during your lifetime or through your will.
- Support Shriners Hospitals for Children's specialized pediatric care through annual income payouts.
- Reduce your potential gift taxes.
- Keep assets in your family.



Thank You

Your gifts of support make it possible for Shriners Hospitals for Children to improve the quality of life for millions of children. Thank you for opening doors of hope and joy.





Shriners Hospitals
for Children®

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If you do not wish to receive any further fundraising communication, or even just a specific type of planned giving communication, from Shriners Hospitals for Children, please contact us by email at plannedgiving@shrinenet.org or toll free at 866-954-1576 to opt out.

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