



BEQUESTS

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BEQUESTS to COVENANT MINISTRIES through your LEGACY PLAN



People who have been regular contributors during their lifetimes usually want to include the causes they care about in their legacy plan. It is important to include the following information in any bequest to a Covenant ministry:

- *The dollar amount or percentage of the bequest.* A specific dollar amount may be used; but if the estate is not large enough to cover that amount, the charity will get nothing. A percentage designates a portion of *whatever remains in the estate*. The resulting dollar amount may move up or down depending on the estate size; but the donor's desire to make a bequest is fulfilled.
- *The correct legal name of the ministry and its location, e.g.* The Evangelical Covenant Church, an Illinois not-for-profit corporation, 8303 West Higgins Road, Chicago IL. The right name is important. You must provide enough information so the ministry can be readily identified and located.
- *Any designation or specific instructions for use of the bequest.* Include a default provision to say what happens if the bequest cannot be used as you originally intended.

UNDESIGNATED BEQUESTS

- "Five thousand dollars [\$5,000.00] to the Evangelical Covenant Church, 8303 West Higgins Road, Chicago, IL"
- "Fifteen percent [15%] to First Covenant Church, 300 North Main Street, Mt. Prospect IL"

DESIGNATED BEQUESTS

- "Ten percent [10%] to the Northeast Conference of the Evangelical Covenant Church, 1492 Chestnut, Stowe, CT *for its camping program at Camp Goodtimes Bible Camp*"
- "Ten thousand dollars[\$10,000.00] to North Park University, 3225 West Foster, Chicago IL *to establish the John and Mary Jones Scholarship Fund for students majoring in education*"

This information is for example only and is not intended as legal advice. You should always consult your personal legal advisor.

What Is Your Legacy? How Can We Help You Build It?



8303 West Higgins Road | Chicago, IL 60631 | 800-483-2177 | CovenantTrust.com

Creative Giving



Most of us have a favorite ministry we want to support—that ministry’s goals are important to us and we often look for ways to help them grow. Covenant Trust Company (CTC) believes that investments, including IRAs, are a vital part to everyone’s financial security; we also believe they can play an important role in reaching charitable goals, too.

Covenant Trust Company offers several charitable gift planning options such as Charitable Gift Annuities and Charitable Remainder Unitrusts. However, if these options aren’t right for you, there are ways to ensure your charitable dreams will provide the greatest impact.

We will consider two options in this brochure:

- donating appreciated assets
- naming a charity as a beneficiary

I would like to use appreciated assets to donate to a Covenant ministry. What about capital gains?

If you donate the appreciated assets directly to a Covenant ministry, you will avoid the capital gains tax. The ministry, due to their tax-exempt status, won’t have to pay any taxes when they sell the assets. Additionally, if the appreciated assets have been held long-term (i.e., longer than one year), the assets’ value on the day of the donation can be claimed as a tax deduction. (The deduction for assets held less than a year is equal to the assets’ purchase price).

I have assets that are worth less than I paid for them. Can I still use them to help a ministry?

If you have assets that are worth less than what you paid for them, you can sell the assets instead of donating them. By selling the assets at a loss instead of donating them directly to the ministry, you will be able to claim the loss on your taxes. Doing so may reduce your taxable income which in turn may mean a lower tax bill. You can still donate the proceeds from the sale to a Covenant ministry and receive a charitable tax deduction as you normally would from giving a cash gift.

How can Covenant Trust help?

CTC is happy to facilitate your gift to your favorite Covenant ministry. CTC will take delivery of the donated security on behalf of the Evangelical Covenant Church, and upon receipt of the stock, will sell the shares. Upon receipt of the proceeds of that sale, we will send a check to the ministry along with a letter indicating the check is proceeds from a stock gift from you.

To begin this process, contact Mike Magnusson at Covenant Trust Company: 847.583.3252 or mkmagnusson@covenanttrust.com.

Why should I consider naming a charity as beneficiary of my IRA?

When you name one or more charities as the beneficiary of your IRA (or Qualified Plans) *the charity(ies) pay no income tax when they receive distribution of the assets.* If you name your spouse or other individuals as beneficiary, the income tax will have to be paid, unless they in turn name one or more charities to receive the assets at their death. If they do not name any charities, then their estate or non-charitable beneficiaries **will** have to pay the income tax.

I have a life insurance policy I no longer need.

Can I use it to benefit a favorite ministry?

A gift of your life insurance is an excellent way to make a gift to a Covenant ministry. There are two ways to do this.

- ***Make a gift of life insurance today***

By giving your life insurance policy to a Covenant ministry today you'll receive a charitable income tax deduction. You can then make deductible contributions to this ministry each year which they may use to pay the premiums. The ministry then benefits from the proceeds of your policy.

- ***Designate a ministry as beneficiary of your policy***

You can also designate your favorite Covenant ministry as the beneficiary of your life insurance policy. You will continue to own and can make use of the policy during your lifetime. The policy will be included in your taxable estate when you pass away, but your estate will benefit from an estate tax charitable deduction for the value of the gift.

For more information, contact Covenant Trust at 800.483.2177 or covenanttrust.com/info.

What's the measurement of success in the partnership between your ministry and Covenant Trust Company?

- The growth of future charitable dollars designated for your ministry
- The growth of ministry dollars that you entrust to us for management
- Your ability to advance your ministry and achieve your ministry's goals
- Peace of mind for both your ministry and your supporters about their legacy for the future

We're in this Kingdom work together. Covenant Trust Company is a unique resource for your ministry that puts financial management tools right at your fingertips. And isn't it nice to know that everything we do has its foundation in stewardship; managing the resources God has given in a way that will honor Him and help do His work.

Information contained in this brochure is for purposes of information and education only, and is not intended as either tax or legal advice. Consult your personal tax and/or legal advisor for specific information.



Grow Your Future



The Key to More Bequest Dollars for Your Ministry

As a leader in your ministry, you want to do all you can to ensure its future. You want to help it grow, touch more people, and be more effective in its work. We want to partner with you to make that happen.

Bequests and other legacy gifts bring unexpected blessings and opportunities to ministry. But these gifts don't just happen. Like any other worthy endeavor, they take a little work. The good news is that Covenant Trust Company is here to work with you:

- We'll work with you and any other members of your staff who need help with personal financial or legacy planning
- We'll provide the same personal assistance to any member or friend of your ministry who wants to include the Lord's work in their legacy planning
- We'll present an informative workshop about how to be a better steward of what God has given each of us through financial and legacy planning
- We'll help people get it done now, *and be there to work with them in the future.*

That's what we'll do—what do you have to do? It boils down to two simple things:

- Get your ministry's message out to your members and friends—tell them your needs and that legacy gifts are another way to help your ministry.
- Invite your local Financial Services Representative to meet with you and/or your board, and present a workshop for your ministry.

What does it cost our ministry to sponsor a workshop?

Nothing. We work with you to find a mutually agreeable date and time. There is no advance charge for materials, and no fee for the Financial Services Representative to present the workshop.

If we host a workshop, will people be asked to make bequests to ministries other than ours?

No, the choice is always up to the individual. *If you have conveyed the mission and need of your ministry, your members and friends will want to help.* Some of them will also have interests beyond your ministry which they may wish to include in their legacy plan. We impose no restrictions or requirements on which Covenant ministries should be included in an individual's personal legacy plan.

What benefit does our ministry get?

More bequest dollars. Bequests received today were planned some time ago. Plans people make now will benefit your ministry in the future. Also, folks will often include a ministry in their legacy plan and not tell anyone, so that it comes as a total surprise when a distribution from their estate is finally received.

Our informative workshops provide helpful information for people of all ages as they work through the lifelong journey of financial and legacy planning.

Workshops include:

“A Financial Life in Order”

“Social Security and You”

“Let’s Talk”: Women and Finance

“Creative Giving” Supporting a capital campaign with gifts other than cash

Other mini-workshops are available on a variety of topics.

We will also meet with your board about any asset management needs your ministry may have, such as setting up an endowment fund, or managing other ministry funds.

Visit our website at www.CovenantTrust.com to contact your local Financial Services Representative.

“I am very pleased with the wonderful and caring service Covenant Trust Company has provided to our church. They provide an invaluable service in helping Covenanters accomplish their giving wishes... I highly recommend churches use the resources of Covenant Trust Company to empower their members’ giving goals. I also bear witness that Covenant Trust Company has been a source of personal help to my wife and me in making decisions for our wills and trust agreements. It is a joy to know my family is cared for in this way; but also that I can minister through my personal gifts to the Covenant ministries of my choice.”

Rev. Paul Bengtson

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