

MISSION Matters



CARING AND SHARING THROUGH UMCOR AND GLOBAL MINISTRIES' ADVANCE

Spring 2014

INSIDE THIS ISSUE...

A Convenient Way to Give

Your Gift Can Take Many Forms

How Sound Is Your Estate Plan?

PREPARE NOW FOR A BETTER TOMORROW

Planning for your future, including financially secure retirement years, has never been more important than it is in today's economic climate.

If you are retired, or if you are planning for retirement, you are no doubt keeping a watchful eye on economic indicators to see how they may affect your circumstances. With so much economic uncertainty, it may seem as though charitable giving could negatively impact your future financial security.

Thankfully, this need not be the case. Through careful planning, retirement funds can provide an untapped source or a new "pocket" from which to make charitable gifts now and in the future. Read on to learn how gifts from retirement plans may benefit you and your loved ones.



Photo: Mike DuBose

UMCOR volunteers help to load a truck with relief supplies for survivors of Typhoon Haiyan at the UMCOR Manila office. In the immediate wake of the disaster, UMCOR, through its Philippines office, organized relief convoys to the hard-hit city of Tacloban, in Leyte Province, where emergency food packages were delivered to 7,500 families—about 37,500 survivors.

A Passion for Disaster Relief

Having been a member of The United Methodist Church for most of his life, Ralph Toalston is well aware of Global Ministries and the United Methodist Committee on Relief (UMCOR). Ralph has long supported UMCOR's disaster relief work with confidence that his donations are being used to best meet the needs of survivors—even after other relief agencies have left an affected area.

Ralph's retirement last year provided the perfect opportunity to review and update his estate plans. As Ralph considered which assets he would like to leave for family members and charities, he decided to name UMCOR as a beneficiary of several traditional Individual Retirement Accounts (IRAs). Under current IRS regulations, qualified charities, such as Global Ministries or UMCOR, do not have to pay income taxes on IRA funds they receive upon the donor's death. If Ralph were to name a family member as the beneficiary, the recipient would have to pay income taxes on the inherited IRA funds. Using an IRA for a charitable gift reduces paperwork and potential taxes for heirs, while supporting United Methodist mission and disaster response.

Ralph explained, "Since 100 percent of donations to a designated UMCOR project or Advance are spent for that project, I feel that UMCOR demonstrates excellent stewardship." Ralph's decision to name UMCOR as a beneficiary to his IRAs ensures that UMCOR will continue to receive his support long into the future.



Ralph Toalston



A Convenient Way to Give

Many people rely on retirement income from one or more sources, or they plan to do so in the future. These sources might include IRAs, employer-sponsored retirement plans, annuities with insurance companies, and other investments.

If you have accumulated such funds and believe they are more than will be necessary for your retirement, it may be wise, from a tax-planning standpoint, to make your charitable gifts using a portion of these unneeded funds. For example, funds contributed to qualified retirement accounts are not taxed at the time of contribution, and they grow free of income tax. These funds are, however, fully taxable when withdrawn.

If you are over the age of 59½, you may wish to use amounts withdrawn from tax-favored retirement accounts to make charitable gifts to Global Ministries and UMCOR. Such amounts are reportable as income when withdrawn, but if you use them to make charitable gifts, you are entitled to an income tax charitable deduction that can eliminate tax on the withdrawn funds.

GIVING WHAT'S LEFT

You may also wish to include charitable interests as beneficiaries to receive all or a portion of assets remaining in your retirement accounts when you no longer need them.

To do this, simply stipulate whether you wish for the entire balance, a specific amount, or a percentage of the account balance to become a charitable gift. Keep in mind that you can provide that a gift be made only if your other beneficiaries have predeceased you. By doing so, you can assure that the future of your heirs is not jeopardized in any way. Special tax benefits also exist when you give in this manner.

HOW TO PROCEED

Consult with your plan's administrator to make charitable gifts through your retirement plans today or as part of your future plans. Designating a charitable interest as the final beneficiary of your retirement plan can be as easy as completing a simple Change of Beneficiary form.

FOR MORE INFORMATION

As always, discuss all matters that can affect your financial future with your professional advisors before you change your plans. We would be pleased to provide additional information about ways to include Global Ministries and UMCOR in your retirement plans.



Dr. Albert G. Willicor, a missionary with Global Ministries, examines an x-ray at the Ganta United Methodist Hospital in Ganta, Liberia. Dr. Willicor and his wife Angeline, a nurse at Ganta Hospital, have served as missionaries and health care professionals at the hospital for more than a decade.

"As chief medical officer, my duty is to ensure adequate medical service to a people striving to recoup their lives after a devastating civil war, compounded by poverty resulting from generations of subsistence farming," he said. Ganta UM Hospital is supported by UMCOR's Global Health initiative.

Your Gift Can Take Many Forms

Your will is up-to-date, signed, and in a safe place. Congratulations! The peace of mind that comes with having your plans made and in place is priceless.

You may have other assets, such as IRAs, retirement plans, life insurance, and bank and investment accounts whose distribution is determined by a beneficiary designation form.

Like your will and other estate plans, these forms may need to be updated periodically. As you review these and think about your plans for the future, you may want to consider the following:

- You can name Global Ministries and/or UMCOR as a beneficiary of all or a portion of your IRA or other retirement plan account.

- You can add Global Ministries and/or UMCOR as a beneficiary of a life insurance policy that is no longer needed for its original purpose.
- You can name Global Ministries and/or UMCOR as a beneficiary of a savings or investment account through what is known as a “pay on death” provision.

An added advantage of using a beneficiary designation form is that you can avoid probate on that asset when you make a legacy gift to Global Ministries and/or UMCOR. The process is simple and there should be little or no cost involved.

Please let us know if we can provide more information and assist you or your advisors in the charitable giving aspects of your plans.



Photo: Courtesy of Dieudonne Karihano

Born in Burundi and serving in Mozambique, Dieudonne Karihano (left) is a missionary with Global Ministries. He works as an agriculturist and community developer. As a child Dieudonne was influenced by missionaries and mission activities in his village. He particularly enjoyed summer programs (VBS) as well as a Saturday morning program where the children were encouraged to memorize and recite Bible verses.

Dieudonne currently teaches agriculture in a vocational school and seminary and oversees food production for an orphanage and boarding hostels.

The purpose of this publication is to provide general gift, estate, and financial planning information. It is not intended as legal, accounting, or other professional advice. For assistance in planning charitable gifts with tax and other financial implications, the services of appropriate advisors should be obtained. Consult an attorney for advice if your plans require revision of a will or other legal document. Tax deductions vary based on applicable federal discount rates, which can change on a monthly basis. Some opportunities may not be available in all states. ©MMXIV RFSCO, Inc. All Rights Reserved. N2TDX-14



Becky Dean (second from left), a young adult missionary with Global Ministries, has served with the Evangelical United Methodist Church of Ecuador's Women and Children Ministries in Indigenous Churches. There, she taught English and supported the empowerment of church and community leaders who work with women, children, and youth. The second half of Becky's service will be spent with the Alabama Rural Ministry and Tuskegee Wesley Foundation, where she will coordinate volunteer teams and help with the children's programs. Becky says, "I am excited and open to the possibilities that this new position will bring me, and the partnership we will have."

How Sound Is Your Estate Plan?

A good estate plan provides security should one of the following occur: long life, early death, financial emergencies, or mental or physical disability. Is your plan in shape and up to date? Take this brief quiz to find out.

1. Do you have a will or living trust to help distribute property at death? Yes No
2. Are all the people and organizations that are important to you mentioned in your estate plans? Yes No
3. Have you executed appropriate powers of attorney to allow someone you trust to act for you, should it become necessary? Yes No
4. Have you designated who is to receive your insurance and/or retirement plan assets? Yes No
5. Is your life insurance coverage adequate? Yes No
6. Have you made plans for contingent beneficiaries, should designated heirs not survive you? Yes No

If you answered **No** to any of the above questions, you may need to review your plans. Professional advisors who specialize in such matters can offer advice and help coordinate various parts of your plan.

Need more information?

Global Ministries/UMCOR's major gift and planned giving officer serves all those interested in receiving more information about planned gifts to UMCOR and Global Ministries, and has booklets covering a variety of topics related to gifts and financial planning. These are available at no cost to our friends and supporters. Please contact Tonya Treble for more information, or use the enclosed reply card.



Tonya Treble, Major Gift and Planned Giving Officer
 (212) 870-3910
 ttreble@umcmmission.org
 Global Ministries/UMCOR
 475 Riverside Drive
 Room 350
 New York, NY 10115
 Tax ID# 13-5562279

We invite you to learn more about the impact you are making now and in the future by visiting our website: umcmmission.org.