

Types of Planned Giving

Bequests

A bequest is a popular and simple method of creating a planned gift. A typical bequest is a provision in your will that specifies a cash amount, a percentage of the entire value of the estate or, after you have provided for your family, residual estate assets. There is no limit to the size of a bequest. The entire amount is deducted from the assets of the estate, which can result in lower estate taxes to your heirs. Often, donors with modest incomes "wish they could do more" for St. Dominic Savio. This is a simple way for donors of all income levels to create a gift for St. Dominic Savio without reducing income needed for daily living expenses.

Charitable Remainder Trusts

A Charitable Remainder Annuity Trust (CRAT) provides income for the donor and a gift for St. Dominic Savio. A trust is established that will pay to the donor a fixed annuity income not less than 5% of the trust's initial fair market value. The donor or a designated beneficiary will receive the income for a maximum of 20 years or until the death of the donor. The residual is donated to St. Dominic Savio. The donor receives tax benefits for establishing this irrevocable trust.

Create retirement income through a Charitable Remainder Trust (CRT):

For example: A donor has under performing or marginally performing, low basis securities, bank account assets or excess property. These assets, usually at values of \$100,000 or more, are used to fund the Charitable Remainder Trust. Placing these securities in the CRT allows the donor to avoid capital gains taxes and receive a charitable tax deduction based on the appreciated value of the securities. The donor or the donor's spouse could receive an income rate that is often higher than what the assets are currently earning. After a maximum of 20 years or upon you or your spouse's death, the remainder of the asset would pass to St. Dominic Savio.

A variation of a CRAT strategy is a Charitable Remainder Unitrust (CRUT), which provides more flexible options for the donor. A CRUT pays a fixed percentage not less than 5% based on the trust's annual market value, which may cause the income amount to increase or decrease each year. Additional contributions can be made to the CRUT over time to increase the value of the trust. A CRUT allows for some creative options such as deferring income until a future time.

Charitable Lead Trusts

A Charitable Lead Trust is a separately invested irrevocable trust you create by transferring cash, marketable securities or income producing property to a trustee. This trust pays a fixed percentage of its assets to St. Dominic Savio for a specific number of years, after which the principal is returned to you or your heirs. This method of giving allows the donor to remove a significant asset from his/her estate allowing the reduction of gift and estate taxes, thereby making a substantial gift while protecting the assets for his/her heirs.

For example: Income from rental property is adding to your income tax burden but is not necessary for your daily living expenses. You could donate the income from this property to St. Dominic Savio and claim the income as a tax deduction. After a fixed time or the donor's death, the property ownership reverts back to the donor's estate. Gifts of Real Estate and personal property must meet St. Dominic Savio's gift policy guidelines before we can accept the gift. Please contact a St. Dominic Savio Board member or Development Committee member before you proceed with your plans.

Gifts of Life Insurance

You may list St. Dominic Savio Catholic High School as the beneficiary on a new or existing life insurance policy. Upon your death, St. Dominic Savio receives the proceeds as a bequest, providing federal estate tax benefits. The amount of the annual premium may be claimed as a charitable deduction on your income tax form if St. Dominic Savio is the owner of the life insurance policy.