



THE MISSISSIPPI BAPTIST FOUNDATION

Fall 2008

“Destination Legacy...Planning the Trip Is Easier Than You Think”

Have you ever planned a trip? Perhaps you were planning a family vacation or a mission trip. Did you try to gather as much information as possible about your destination including typical weather patterns, sightseeing opportunities, and the least expensive and/or quickest modes of travel? Did you utilize the services of a travel agency, Internet web sites, or consult friends who were familiar with your destination? If traveling to your destination by automobile, did you determine the best route and travel time using a web-based navigation program or follow the directions supplied by a GPS in your car?

In our daily quest to navigate the road of life successfully, many folks spend a large portion of each day traveling lickety split along the information “super highway.” The vast array of information that is available through a variety of media enables us to keep up with current events, identify helpful ideas and strategies, explore available opportunities, research solutions to problems, and communicate with others. Decisions are made and plans are finalized based on the information that is available.

The usefulness of all of this information, however, is dependent on the quality of the road on which it travels. Occasionally, detours and potholes appear on

the information highway because the presentation of information results in material that is unclear, too complicated, or simply too much to absorb at one time.

Unfortunately, information pertaining to estate planning and charitable giving often falls prey to these kinds of detours and potholes. Confirmation of this truth was forthcoming to me personally following the publication of a recent edition of *Foundation*

News presented in the Baptist Record. An acquaintance of mine informed me that a member of her Sunday School class asked “Did you understand everything that Daniel was talking about in that Foundation article?” My acquaintance admitted to her class member that she didn’t fully understand some of the material. Then she added, “And I

don’t think that I’m going to ask him either.”

Your friends at the Mississippi Baptist Foundation desire for you to reap the manifold blessings of building a legacy through informed decisions regarding your stewardship and estate planning goals. To this end, we present this edition of *Foundation News* as a guide to help you understand some of the basic navigational tools appropriate for careful planning and successful arrival at “*Destination Legacy*.”



Daniel Hall
Executive Director
Mississippi Baptist Foundation

Last Will and Testament

Perhaps the most useful tool for establishing a legacy and extending your Christian influence is a Last Will and Testament. In simple terms, a Will is a legal document that “speaks” for you after the Lord has called you into higher service with Him. Jesus encouraged his followers to leave a Kingdom-focused legacy through laying up treasures in heaven.

A valid Last Will and Testament can help you arrive at *Destination Legacy* by affording you the opportunity to present your wishes, or will, with respect to the disposition of your possessions. In addition, you can name a guardian for minor children, provide resources for your family, and address your charitable-giving goals through your Will.

Unfortunately, many people take detours or succumb to potholes along life’s journey and die without a valid Last Will and Testament. Some estimates suggest that 70% of the more than two million Americans who die each year do not have a Will. In other words, the majority of people fail to get their “ducks in a row” in a manner consistent with safe and successful arrival at *Destination Legacy*.

When a person dies without a valid Last Will and Testament, emotional distress and unnecessary expense are among the host of painful consequences experienced by loved ones. In addition, personal possessions may be subject to distribution according to impersonal laws and statutes. On the other hand, the establishment of a Will has several advantages.

ADVANTAGES OF A LAST WILL AND TESTAMENT:

- Control your lifetime accumulation of personal property by passing these assets to family, friends, charity, and ministry;
- Faithfully carry out your responsibility to care for your surviving spouse, parents, young children, disadvantaged children, adult children, and/or grandchildren;
- Minimize estate taxes and other final costs;
- Make specific bequests of tangible property and provide for the disposition of the remaining assets after all expenses and bequests have been paid;
- Provide a tangible witness of your faith in Christ and share hope with others through gifts that support your favorite ministries in perpetuity.

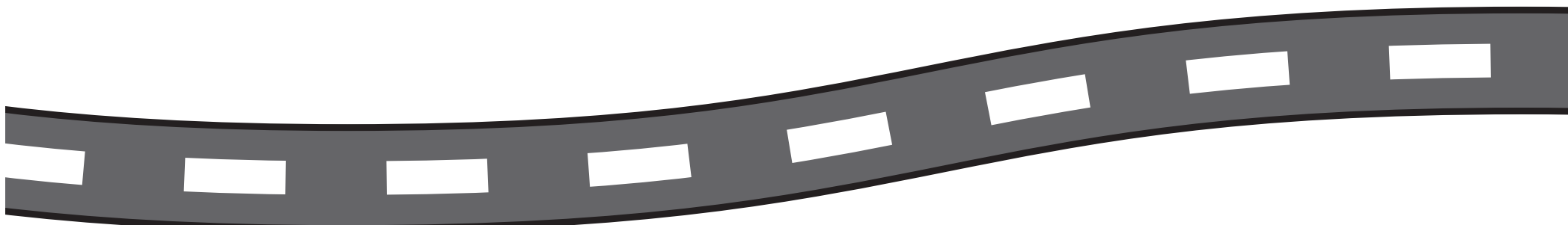
Since 1943, the Mississippi Baptist Foundation has assisted individuals with charitable estate planning. If you need to get your “ducks in a row” by protecting your loved ones and by including a charitable component in your Last Will and Testament, please call the Foundation office at (601) 292-3210. A Will can help ensure that you arrive at *Destination Legacy* in proper fashion. **Remember, when you need a will, it is too late to write a will.**



Benefits of a \$10,000 C

Donor's Age	Distribution Percentage	Guaranteed Annual Income
90+	10.5%	\$ 1050.00
85	8.9%	\$ 890.00
80	7.6%	\$ 760.00
75	6.7%	\$ 670.00
70	6.1%	\$ 610.00
65	5.7%	\$ 570.00
60	5.5%	\$ 550.00

These figures are provided for illustrative purposes only and should not be considered as a guarantee. We would be glad to provide additional illustrations based upon your specific age and circumstances.



Charitable Gift Annuity

Another basic estate-planning and charitable-giving tool useful for arriving at *Destination Legacy* is the Charitable Gift Annuity. In simple terms, a Charitable Gift Annuity is an agreement between a donor and a qualified charitable organization such as the Mississippi Baptist Foundation. Within the agreement, an exchange of assets is made between the donor and the MBF whereby the donor(s) offers cash or non-cash assets (stocks, mutual funds, etc.) and receives a guaranteed fixed income each year for life.

At the death of the donor(s), the funds remaining in the corpus of the gift annuity are distributed to the charitable cause(s) outlined by the donor in the agreement. The Mississippi Baptist Foundation administers a host of gift annuities on behalf of individuals who not only appreciate a guaranteed annual income and favorable tax treatment, but who also desire to leave a lasting Kingdom legacy through Baptist ministries.

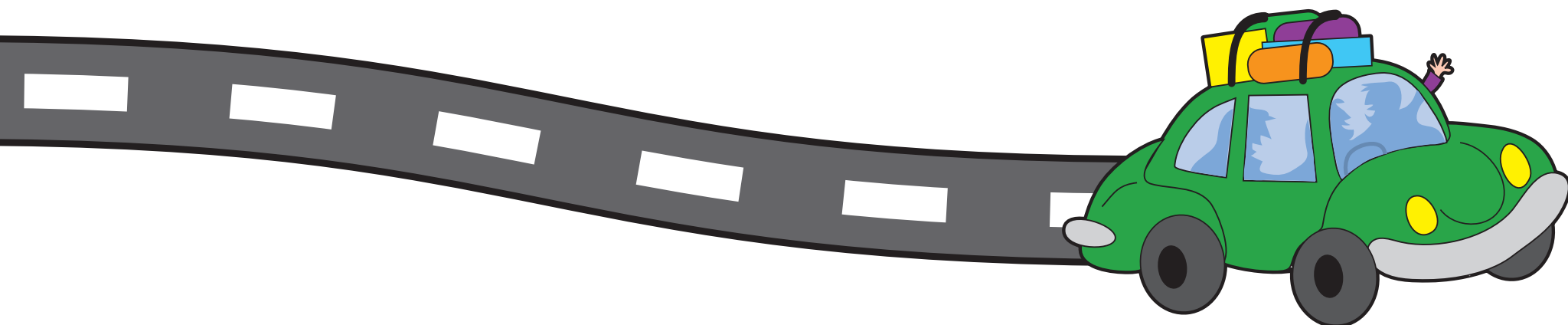
Charitable Gift Annuity

Tax-Free Income	Taxable Income	Charitable Deduction
\$ 831.60	\$ 218.42	\$ 5,925.40
\$ 675.51	\$ 214.49	\$ 5,408.50
\$ 535.80	\$ 224.20	\$ 4,961.10
\$ 444.88	\$ 225.12	\$ 4,484.00
\$ 378.20	\$ 231.80	\$ 3,988.00
\$ 328.89	\$ 244.11	\$ 3,454.60
\$ 297.55	\$ 252.45	\$ 2,827.00

Not intended as tax or financial advice. The \$10,000 figure is merely an example. We can calculate the annuity amount. Calculations for two lives are also available upon request.

THE ADVANTAGES OF A GIFT ANNUITY MAY BE SUMMARIZED AS FOLLOWS:

- **Income for Life** — The donor receives a guaranteed fixed income for life with payout rates for one or two people.
- **Tax Deduction** — A large part of the donor's transfer is deductible as a charitable gift.
- **Tax-free Income** — Not only does the donor receive a tax deduction for establishing the gift annuity and an income for life, but a portion of the annual payments are tax-free also. Thus, the real percentage yield is higher than the stated distribution rate.
- **Capital Gains Savings** — The potential impact of capital gains tax for appreciated assets such as stocks is minimized when the donor funds the gift annuity by transferring securities to the charity.
- **Flexibility** — The donor may choose the frequency of their payments. While payments are often made on a quarterly basis, payments also can be made monthly, semi-annually, or annually. In addition to the various payment frequency options, one person or two-person annuities may be selected. Furthermore, cash or non-cash assets may be utilized to establish the gift annuity. Cash gifts are the most beneficial in terms of tax-free income while gifts of securities (stocks) allow the donor to reduce their capital gains taxes.
- **Personal Satisfaction** — The donor has the satisfaction of knowing that their generosity will continue to make a lasting impact even after the Lord calls them to "higher" service with Him.

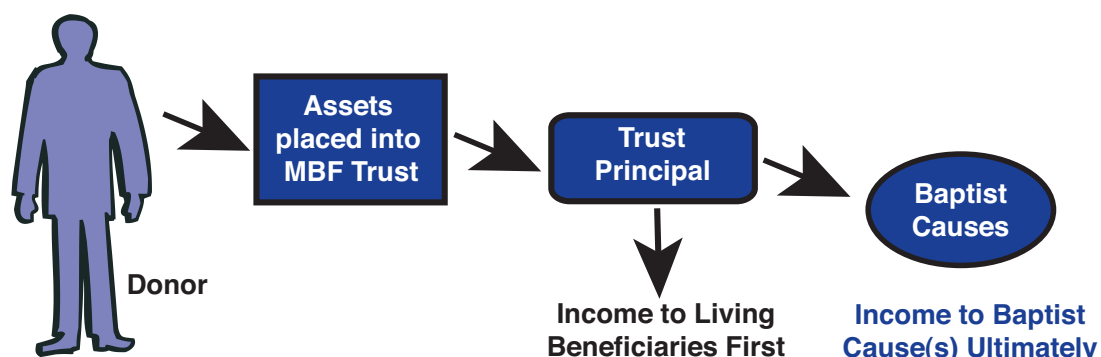


Charitable Remainder Trusts

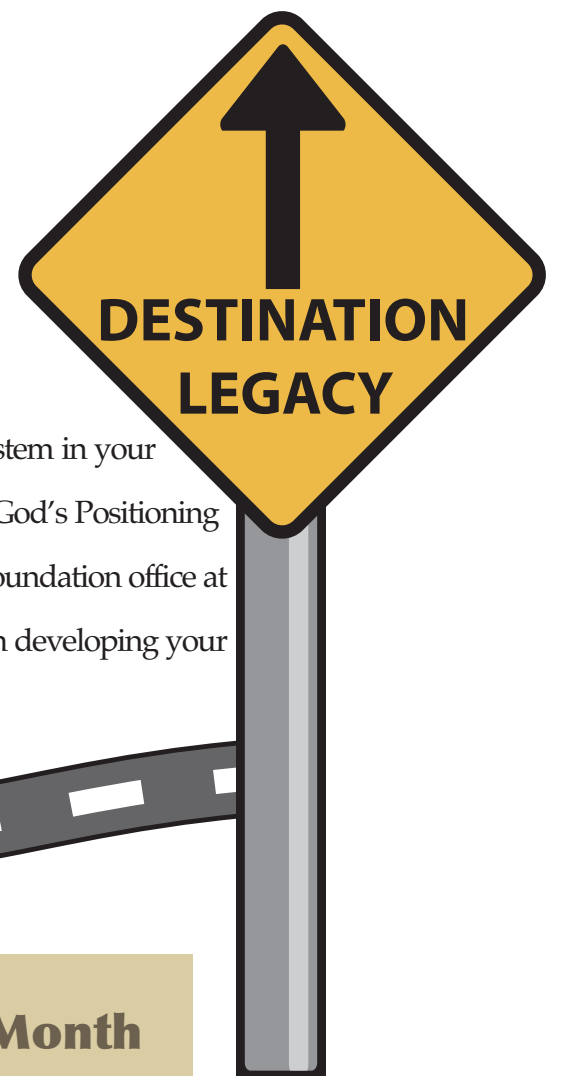
A Charitable Remainder Trust is a planning tool that can be employed to enhance individual estate plans with a focus on reaching *Destination Legacy*. When establishing a Charitable Remainder Trust, the donor irrevocably transfers assets – usually cash, securities, or real estate – to a trustee such as the Mississippi Baptist Foundation. The trustee invests the trust’s assets and provides the donor with an income stream for life. Upon the death of the donor(s), the example of generosity and Christian stewardship will yield continual blessings for a designated Mississippi Baptist or Southern Baptist cause such as the donor’s church, the Baptist Children’s Village, our Mississippi Baptist colleges, the Cooperative Program, or missions.

Charitable Remainder Trusts come in the form of a Unitrust or an Annuity trust. Both types of charitable remainder trusts have several common features, while both also maintain a measure of distinctiveness. The benefits of both the Charitable Remainder Unitrust (CRUT) and the Charitable Remainder Annuity Trust (CRAT) include:

1. A CHARITABLE DEDUCTION FOR INCOME TAX PURPOSES;
2. POSSIBLE ESTATE TAX BENEFITS;
3. AN INCOME STREAM FOR LIFE WHICH IS EITHER VARIABLE (CRUT) OR FIXED (CRAT);
4. BOTH THE CRUT AND CRAT PROVIDE RESIDUAL BENEFITS TO A CHARITABLE BENEFICIARY(IES) PRESCRIBED BY THE DONOR WITHIN THE TRUST DOCUMENTATION.



While you might not utilize a computer-driven navigation web site or a Global Positioning System in your daily travels, hopefully the information presented in this newsletter can serve as a special GPS (“God’s Positioning System”) to guide you in terms of your stewardship and Christian influence. Please contact the Foundation office at (601)-292-3210, Post Office Box 530, Jackson, MS 39205 or dhall@mcbcb.org for further assistance in developing your travel plans for reaching *Destination Legacy*.



Remember, September is Baptist Foundation Month