

## **Financial Planning Tips!**

### **Charitable Gift with Appreciated Stock / Life Insurance Policy**

If you are the owner of stock that has appreciated in value over the years, you may wish to consider helping your church by donating that stock.



How do you do this? One common way is to talk to your stock broker and arrange for transfer of the shares to the church. The church will then sell the shares and receive the proceeds. The result for you can be a charitable giving income tax deduction in the amount of the appreciated value of the shares, even if you paid far less for the shares when you purchased them. And you do not have to pay capital gains taxes on the donated shares.

For example, imagine you paid \$1,000 for 100 shares of stock in company “XYZ” back in 1995. If those 100 shares of stock are now worth \$6,000 and you donate those shares to your church, the recipient gets the current value of the stock and you may qualify for a \$6,000 charitable giving deduction while avoiding capital gains taxes on the \$5,000 appreciation of the donated “XYZ” shares.

So, while cash donations are nice and much appreciated, this example illustrates why a gift of appreciated stock may be even better!

### **Combine this with a Donated Life Insurance Policy**

How might you take this concept still one step further?

If you name your church as the beneficiary of a life insurance policy you establish on your own life, you may be able to deduct the amount of the premiums you pay from your taxable income. Or you can donate appreciated stock to the church for them to pay the premiums, and take a deduction as described above. Still another possibility is, if you have a spouse named as your beneficiary but your spouse has now passed away, to make the church the beneficiary of your policy.

With any of these scenarios, at the time of your death, the church will receive a death benefit that may be significantly greater than the amount you have paid in premiums. So for a manageable annual premium that you choose (or one lump sum if preferred) you potentially can provide your church with a benefit at the time of your death that is far more than you think you could ever afford to give.

For more information about how you and the Church can benefit from these strategies, contact your tax advisor, or the Catholic Foundation for the Diocese of Green Bay at 920-272-8173; or email at [catholicfoundation@gbdioc.org](mailto:catholicfoundation@gbdioc.org).

*These helpful tips are only for your information and are not to be considered as legal, tax, or financial advice. You should consult with your legal, tax and financial advisors to implement the benefits of these charitable giving opportunities.*