



FRIENDS OF THE ARMY

ESTATE AND FINANCIAL PLANNING IDEAS

Touching Lives – One Person at a Time

We've heard from Friends of the Army who were interested in hearing stories about individuals we have helped. Here are just two examples of the many ways we are "doing the most good" on a personal level:

The Voice of an Angel

Helen was just nine years old, but often was responsible for her younger brothers as her single mother worked the streets to support her drug habit. Not surprisingly, Helen had a lot of emotional burdens and scars when her mother brought the three children to The Salvation Army's Family Shelter.

But within nine months, young Helen's life was transformed. Salvation Army staffers helped her get glasses, and she told them, "*For the first time I can see the world.*" She began attending church services and participating in singing and drama groups. It turns out that Helen has the voice of an angel. Last summer, she stood up in front of 55,000 people and sang the National Anthem at a Major League baseball game for a Salvation Army-sponsored event. It is remarkable to see how this

child has thrived in the care of The Salvation Army.

Looking at a Ceiling

Hard times began for Carolyn when she lost her job and then was illegally evicted from her apartment. The mother of three found herself living on the streets as winter approached. One day, cold, rain and desperation drove her to The Salvation Army's Family Shelter.

"I never in my life thought that I would enjoy looking at a ceiling," Carolyn recalled. "Believe me, that very first day that they assigned me a bed, I was lying down on my back and I had millions of thanks to my Lord for that white and beautiful ceiling. I give thanks to my Lord and to The Salvation Army for a roof above my head, hot meals every day, and clothing."



Some people's legacies are engraved on monum



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Crafting a Plan to Protect Those You Cherish

According to estate planners, security of a surviving spouse is the No. 1 estate planning objective of married clients. Next is a desire that other loved ones will be properly supported and cared for – especially those who are disabled or have special needs. Many people also say they would like to leave the world a better place by providing for humanitarian organizations, such as The Salvation Army.

This issue of *Friends of the Army* looks at estate planning strategies for safeguarding those who depend upon you – a wife or husband, brothers, sisters, children, close friends and others . . . including the Army. We have a newly revised booklet, *Family Focused Estate Planning*, that provides a comprehensive look at these strategies and is available simply by sending back the attached card.

Seven Ideas to Help Your Family and the Army

1. Create a two-life charitable gift annuity that continues payments for your wife, husband or other person you wish to benefit.

2. Set up a trust in your will (a “QTIP” trust) that pays all the income to your wife or husband, with later benefit to Salvation Army programs.

3. If you have established a “special needs trust” for a family member, consider a charitable remainder trust that will augment the special needs trust on an annual basis.

4. Leave tax-burdened assets, such as U.S. savings bonds or retirement accounts, to a charitable remainder trust created in your will; you’ll minimize income taxes and

possibly estate taxes as well.

5. Arrange deferred payment charitable gift annuities for sons, daughters or others who have been unable to save sufficiently for retirement.

6. Next time you revise your will, add one or more charitable gift annuities to assist loved ones and the work of the Army (see the related article).

7. Consider a trust that makes payments to the Army for 10 or 15 years after your death, then passes all assets to your children, when they are older and better able to manage a large inheritance. These charitable “lead trusts” can also save significant gift and estate taxes.

ents, but yours can be written on lives.

Practical Security for Your Surviving Spouse

Some married couples have estate plans that simply leave everything outright to each other. But tax issues and practical problems may later surface that could have been avoided through a well-planned trust.

■ *Financial management.* Tom and Ellen have decided to transfer most of their assets to a revocable living trust that will avoid probate and also provide the services of a professional trustee, just in case they become disabled.

■ *Second marriage situations.* Mr. and Mrs. B outlived their first spouses. They got married late in life and each has adult children from the prior marriage. Both have wills that leave their individual assets to a “QTIP” trust for the survivor, who will receive lifetime income, after which trust assets will pass to their respective children. If their estates are large enough

to owe estate tax, employing a “QTIP” trust will qualify for the 100% marital deduction.

■ *Estate taxes.* Married couples can shelter up to \$10 million from federal estate taxes under current law, but even more can be protected by taking advantage of credit shelter trusts, charitable remainder trusts and charitable gift annuities.

■ *Charitable giving.* Married couples who wish to benefit the Army sometimes prefer that all charitable bequests be made when the surviving spouse dies. But what if the surviving spouse forgets? Donors can guarantee charitable benefit by including gift annuities, charitable remainder trusts or “QTIP” trusts in their wills that provide lifetime income plus money management for a spouse.





Why Do People Postpone Estate Planning?

“Make a will? Oh, I’ll take care of that someday – right after I clean out the garage, or maybe the attic, as well.”

Most people acknowledge that they need wills or other estate plans, but still procrastinate because they’re busy, or think wills are expensive, or don’t know how to get started. Some have unreconciled feelings and uncertainty about how to share the estate with survivors. A few simply don’t wish to think about end-of-life issues.

How do you get the estate planning ball rolling? Just call an attorney. He or she will set

up an appointment and take matters from there.

How do you find an estate planning attorney? Many people rely on recommendations of friends or family, or check with the local bar association for names of lawyers who specialize in probate work. A good web resource is findlegalhelp.org. Our office can also assist you in finding an attorney.

Important: You can arrange a preplanning conference with an experienced Salvation Army planned giving representative that can be invaluable in getting your estate plan off the ground. Call our office for details.

Maxine’s Charitable Gift Annuity Legacies

Maxine loved her family and the work of The Salvation Army. She had many conversations with Salvation Army planned giving staff, and as they talked, a remarkable plan began to evolve. Maxine would establish, through her will, nine separate charitable gift annuities for her brothers, sisters and other family members – \$1.2 million in gift annuities, all told. The gift

annuities will provide lifetime payments to her family, along with significant estate tax savings for Maxine’s estate.

“I treasure the idea that my family will have a lifetime reminder of my love for them, and a continuing bond with The Salvation Army,” Maxine declared. “And it’s so satisfying to be able to assist the Army in such a big way.”

For more information on any of the topics discussed in the newsletter, simply fill out and mail this reply card.

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E-MAIL _____

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Thank You

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Please send me your new booklet,

Family Focused Estate Planning.

I would like to discuss my planning with a Salvation Army representative.

I am considering a provision in my will or other plans for the future assistance of The Salvation Army.

I have already made provision in my estate plans for the Army, as follows:



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Inside This Issue of *Friends of the Army*

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From Our Office of Planned Giving:

We Can Help You Plan Your Legacy

Most friends of the Army, given the opportunity, would like to have an estate plan that not only provides for the security of loved ones, but also helps to feed the hungry, shelter the homeless and mend broken lives. All of those noble objectives can be achieved – with careful planning.

Our experienced planned giving staff has worked with the estate plans of hundreds of people who wished to leave a dual legacy of security for their families and hope for the future for people in need. Many of these plans are outlined in the previous articles, all of which were tailored to the specific situations of our benefactors.

These plans have ranged from the simple to the complex, from a straightforward will bequest or IRA beneficiary designation to multifaceted charitable trusts designed to meet the unique financial and personal goals of a donor. What's important is that these plans invariably preserved, or

even improved, the financial security of the donor's family.

We would be pleased to work with you and advisers on your own plan, and can even assist you in finding legal counsel. You'll need to do some preparation before meeting with your attorney, and we have two suggestions. First, please send for our free booklet, *Family Focused Estate Planning*. It's full of practical ideas worth discussing with your advisers. Our staff would also be pleased to meet with you to discuss your estate planning needs and goals, prior to seeing your attorney. Many of our friends have found this to be a helpful, time-saving first step, and there is never any cost or obligation.

Please call our office for the appropriate wording whenever you are preparing a gift through your will, living trust, IRA or other beneficiary designation.



Rich Dorsey, CCNL
Planned Giving Director



Steve Francis, JD, LLM
Planned Giving

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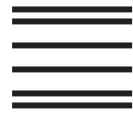
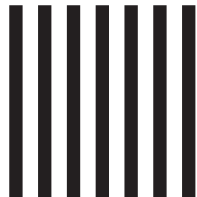


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