

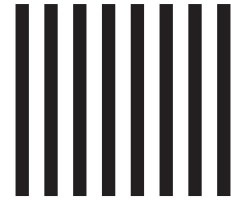


DOING THE MOST GOOD™

Send for our free publication, *Estate Planning Under the New Rules*



NO POSTAGE NECESSARY IF MAILED IN THE UNITED STATES



BUSINESS REPLY MAIL
FIRST-CLASS MAIL PERMIT NO 3743 GRAND RAPIDS MI

POSTAGE WILL BE PAID BY ADDRESSEE

THE SALVATION ARMY
OFFICE OF PLANNED GIVING
PO BOX 2603
GRAND RAPIDS MI 49502-0388

CONFIDENTIAL

From Our Office of Planned Giving: How The Salvation Army Helps Young People

For over 100 years, The Salvation Army has recognized the restorative power of nature – especially in the small miracles that summer camp can provide. Camping frees youthful imaginations trapped in the concrete, noise and pollution of our inner cities. Every year, children from low-income families can enjoy fresh air, exercise and new friendships at our summer camp programs.

The camping experience is more than just a pleasant vacation. Children learn new skills and self-reliance. Trained counselors who understand their emotional needs and problems help them to mature within a spiritual environment.

Camping lets kids reconnect with nature, temporarily separating them from problems at home, and empowering them to move forward to find hope and opportunity in their lives.

Kids can learn to swim and develop music and social skills at camp, including interacting with children from different backgrounds. Some of our campers don't have the easiest lives, and for those youngsters it's a chance to spend a week outdoors in a safe and caring atmosphere – sometimes away from an abusive home situation.

Many friends of The Salvation Army have made gifts and bequests earmarked just for our summer camp programs. If you would like to designate a gift for any program or ministry of the Army, we'd like to talk with you!

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, CSP
Planned Giving Director



Steve Francis, JD, LLM
Planned Giving

The Salvation Army
Office of Planned Giving
1215 East Fulton Street • Grand Rapids, Michigan 49503
(616) 459-3433 • www.tsapg.org

The purpose of this brochure is to provide accurate information of a general character only. For specific recommendations, each person should consult his or her own qualified professional adviser.



DOING THE MOST GOOD™

Western Michigan/
Northern Indiana Division
Office of Planned Giving
1215 East Fulton Street
Grand Rapids, MI 49503



Inside This Issue of *Friends of the Army*

- Plan Your Legacy with The Salvation Army
- Tax Relief...with an Expiration Date
- Time to Dust Off Your Will, Living Trust and Other Estate Planning Arrangements
- Congress Restores IRA Gift Opportunity for 2011
- What Should You Do When You Receive an Inheritance?
- What Do You Want Your Children to Do with Their Inheritance?
- How The Salvation Army Helps Young People

WESTERN MICHIGAN/
NORTHERN INDIANA DIVISION | SUMMER 2011



FRIENDS OF THE ARMY

ESTATE AND FINANCIAL PLANNING IDEAS

Plan Your Legacy with The Salvation Army

Pyramids rising in the desert... paintings on a cave wall... great works of art and literature – all reflect a common yearning in people to leave behind a legacy – to touch the lives of others, perhaps for many generations to come.

Most of us, given the opportunity, would like to feel that we have made a lasting contribution to a better world. We'd like to leave a legacy that says: "I was here, my life was important... I made a difference."

Friends who include The Salvation Army in their estate plans enjoy the quiet satisfaction of helping continue all of our work – assisting those who are hungry or seeking shelter or fighting alcoholism or drug addictions. As you plan for both the present and the future, we would be honored if you would consider The Salvation Army as your partner. We pledge to do the most good with your generosity – for those you will help today and for the future generations you will help in years to come.

You have an opportunity to thoughtfully plan the distribution of all you have earned and accumulated from a lifetime of work. Through tax-advantaged gift planning, you can provide a



more significant legacy of caring and compassion than you ever dreamed possible. This is your Legacy Gift.

A Salvation Army gift planning professional is always available to assist you, your financial adviser and legal counsel in exploring the options that best serve your family and your financial needs, while fulfilling your hopes for a better world. Your Legacy Gift may be unrestricted or designated for a particular purpose, service or program. Your gift also may be made in memory or in honor of special loved ones.

If you're ready to begin planning your legacy, or if you have any questions at all, please call us for a free, personal consultation.

Some people's legacies are engraved on monuments, but yours can be written on lives.



Tax Relief...with an Expiration Date

The recent "Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010" contained a variety of changes that will be helpful to you, your family, and the support you provide for The Salvation Army. Unfortunately, most of these provisions are scheduled to expire after 2012 (earlier, in some cases), leaving a cloud of uncertainty over tax and estate planning.

■ The new law provides a \$5 million exemption from federal gift and estate taxes for 2011 and 2012 (spouses can shelter up to \$10 million, with proper planning), and a reduction of the tax rate to 35% on transfers over \$5 million. Unless Congress changes the law, however, the exemptions will drop to only \$1 million in 2013, with a top tax rate of 55%.

■ Lower income tax rates in effect in recent years have been continued for 2011 and 2012 only. Other benefits include extension of 15% tax rates on dividends

and most long-term capital gains, plus a variety of credits, deductions and a "patch" that eases the impact of the alternative minimum tax for 2011.

Planning Pointer ▶ One particularly helpful part of last December's tax legislation was a law enabling surviving spouses to "inherit" any unused \$5 million exemption from the first spouse to die. Together, spouses currently can shelter up to \$10 million of assets from federal estate tax. In past years, special trusts (known as bypass trusts or credit shelter trusts) were often needed to preserve the exemption of the first spouse.

Exemptions will be "portable" only if the executor for the first spouse's estate files a federal estate tax return and makes a special election. This form should be filed even if both spouses own less than \$5 million between them. Why? In case the surviving spouse later receives an inheritance or other windfall and needs both exemptions.

Congress Restores IRA Gift Opportunity for 2011

Congress has extended the law permitting IRA owners over age 70½ to make charitable gifts directly from their accounts, up to \$100,000, through the end of 2011. These gifts won't be treated as taxable distributions and can actually reduce taxes by taking the place of required minimum distributions generally required after age 70½. Please call our office if you are interested in making an IRA gift this year.

Time to Dust Off Your Will, Living Trust and Other Estate Planning Arrangements

We encourage all of our friends to review their wills, trusts and other estate planning arrangements in light of the recent tax changes. Your attorney can recommend contingency plans to deal with the tax uncertainties that arise after 2012. If the exemption remains at \$5 million, only a few thousand estates per year will be liable for federal estate taxes. But all Americans will still need to plan for:

- Thoughtful distribution of their estates to family members and other beneficiaries;
- Minimizing "estate shrinkage" that may occur from state



estate taxes and income taxes on retirement accounts, savings bonds and other assets;

- Reducing the expense and delays of probate;
- Protection of beneficiaries with special needs;
- Leaving a legacy to future generations.

What Should You Do When You Receive an Inheritance?

Many people receive an inheritance at some point in their lives, and it's an occasion that can present both opportunities and concerns. Here are some thoughts to consider in deciding what to do with your windfall:

■ *Don't rush into anything.* Consult with financial advisers

about paying off debts, such as a mortgage, and restructuring your investments.

■ *If you inherit a retirement account, seek expert advice on your options for receiving benefits.* You may be able to stretch out distributions from

an IRA or other account over your life expectancy, minimizing taxes and providing you with a steady stream of income.

■ *Review your estate plan.* If the inheritance is large enough, you may now be subject to state or federal estate taxes. You might want to consider including a trust or gift annuity in your estate plan that reduces tax and provides financial

security for a spouse or other family member, with eventual benefit to The Salvation Army.

■ *Consider helping those less fortunate.* Now may be a time to plan a "legacy gift" that gives special meaning to your inheritance. Your gift can be arranged as a tribute or memorial to your benefactor, and can provide lifetime income to you or another, if desired.

What Do You Want Your Children to Do with Their Inheritance?

Parents often make estate plans that ultimately leave most or all of their estates to children – and then hope for the best. If sons and daughters possess maturity, financial knowledge and experience, leaving them a large inheritance may not be a problem. But inheritances sometimes can be squandered or, perhaps worse, leave heirs without incentive to strive, achieve worthwhile goals or find satisfaction in work well done.

Philanthropist Warren Buffett was once quoted as saying: "I want to give my kids enough so that they could

feel that they could do anything, but not so much that they could do nothing." You may want to investigate plans that leave part of your estate to important organizations, such as the Army, or consider trusts that assist our programs for several years and then distribute assets to children or others. Charitable remainder trusts or gift annuities in an estate plan can divide the benefits of assets between the Army and family beneficiaries – and provide financial management, as well. Please call us for details.



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

FIRST NAME _____

LAST NAME _____

ADDRESS _____

CITY _____

STATE _____ ZIP _____

PHONE (_____) _____

DATE OF BIRTH (OPTIONAL) _____

E-MAIL _____

▶ Detach here

Thank You

(Detach, fold and tape before mailing.)

▲ Fold here

- Please send me your new booklet, *Estate Planning Under the New Rules.*
- I am considering a provision in my will or other plans for the future assistance of The Salvation Army.
- I would like to discuss will planning with a Salvation Army representative.
- I have already made a provision in my estate plans for the Army, as follows:
