

FUNDING METHODS FOR CHRISTIAN SCHOOL AND COLLEGE COSTS

Are you planning to see your children and grandchildren attend a Christian school or college? If so then you may have used investments and bank accounts titled in both your name and the child's. This is called the Uniform Gift to Minors Act. It is no longer a good option because the UGMA has been replaced!

Now there is a new and vastly improved **Coverdell ESA** and the 529 Plan. Both plans have unique tax benefits and great investment options. An Educational IRA now allows you to contribute up to \$2,000 per year per child and use the money to pay the tuition costs associated with private education. The money, including all gains, may be available tax-free! This is a big change. It's a great way to assist your children with the costs of a quality Christian education for your grandchildren. Think of it, private Christian schooling not just college.

The **529 Plan** can be used to save for college costs and is also available tax-free! You may invest up to \$50,000 into this college savings plan and maintain control over the money indefinitely. It's a great way to pass assets to your family outside of your will avoiding probate, inheritance taxes and possible federal estate taxes. And the best part – it grows tax-free!!!

The bible encourages grandparents to financially bless both their children and grandchildren. What better way to see that your children can fund Christian schooling for their children? Call us for more information.



The Life Financial Group, Inc.

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CAN I REALLY TITHE MY STOCK AND MUTUAL FUNDS?

Have you received shares of stock or mutual funds as a gift? When you sell you must determine the cost basis in order to pay the required capital gains tax. Your accountant will love you. ☺

There's a better way! In place of giving cash that you already paid income taxes on give your stocks or mutual funds. You can easily "journal" the shares over to your church or favorite Christian college. They are then sold and the ministry receives all the proceeds with no taxes due. You receive a tax-deductible receipt for the full value on the day they are given to charity. It works best when you give your year's tithe in advance rather than a few shares at a time. All non-profit ministries can receive gifts this way. It's a great way to put God's wealth back into circulation while disinheriting your Uncle Sam.

DO YOU PLAN TO INCLUDE THE LORD IN YOUR WILL?



There's a better way! In lieu of giving cash consider giving tax-deferred assets like an annuity. These retirement accounts grow tax-deferred but your children must pay ordinary income taxes on all the gains when inherited. The church does not. Let your loved ones inherit your other assets but not your annuity policies. Give these to the church by adding the church as the beneficiary. If your insurance company annuity is large and you want your children to receive part of it then list the church along with your children. This can also work with IRAs and 401(k) plans.

Add the following to your will: "It is my intention to give 15% (*whatever amount you choose*) of my assets to the work of the Lord through High Point Baptist Chapel. I have named the church as a beneficiary in my annuity and (*if applicable*) one IRA. If however, the values in these accounts are not sufficient to meet my commitment then the Executor is instructed to make the gift from other assets in my estate."

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