



Habitat
for Humanity[®]
of Anderson County

A Lasting Legacy



*Building houses,
building hope.*

Habitat for Humanity of Anderson County



We are an organization founded on Christian principles that welcomes people from all walks of life to share in our mission. Our long-term goal is to eliminate poverty through our homeownership program. We've built more than 50 houses already, but we're building more than houses – we're changing lives, and providing a path to a brighter future filled with hope and prosperity.

Through our program, we provide zero-interest mortgages, training, and support to ensure Habitat homeowners succeed. Future homeowners must volunteer at least 400 hours of “sweat equity” labor building their home and working on other Habitat projects. A \$1,200 down payment is also required. Once completed, houses are sold to partnering homeowners with zero-interest mortgages spread out over 20 – 30 years in order for the payments, including taxes and insurance, to remain affordable. Their payments are used to build additional houses in Anderson County.

Building a Lasting Legacy

As you plan for your future and the security of loved ones, Habitat for Humanity has numerous planned giving options that allow you to make a meaningful charitable gift to support the ministry's homebuilding after your lifetime. Some of the most popular methods are described in this brochure. Please consider this information a starting point. The most effective planned gifts are made in coordination with an estate plan. To provide the most benefit to Habitat for Humanity of Anderson County, please consult with an attorney and tax advisor prior to making any planned gifts.



Traditional Legacy Vehicles

Cash

Nothing could be easier than making a gift of cash to Habitat for Humanity. It is the most common gift and the one you probably think of first. All cash donations are deductible, if you itemize in the year of contribution, up to 50 percent of your adjusted gross income. Any excess deductions can be carried forward for the next five years. You can make year-end gifts, or make a gift in memory or honor of a friend or loved one, perhaps on the occasion of a birthday, graduation, anniversary or other special day. It is the perfect gift for someone who has everything.

Life Insurance

Do you have life insurance policies that are no longer needed? You may either donate the life insurance policy to us, or simply name us as the beneficiary.

Bequests

Have you made provisions in your will to benefit us? Bequests are the most popular type of planned gifts. Anything you leave to Habitat for Humanity will reduce the size of your taxable estate while helping a good cause. You can leave to us a specific bequest of a specified sum of money or a particular piece of property. Other options are to leave a percentage of your estate or a percentage of the residue to us after making provisions for family and friends. For instance, you could leave us a specific bequest of \$10,000, or you could leave us 10 percent of the residue of your estate.



Securities

Stocks and publicly traded securities are easy to give and offer great tax advantages. The best stocks to use for charitable giving are those that have increased greatly in value, particularly those producing a low yield. If you have held them for more than one year, you will pay no capital gains tax on this transaction, and you can deduct the full fair market value.

Bank Accounts and CDs

Are you aware that you can name us as the "payable-on-death beneficiary" of your bank accounts or on certificates of deposit? You own the assets for your lifetime and have them available for your use. Upon your death, the assets pass directly to us without going through probate. Simply visit your bank and request the necessary forms to name a beneficiary on your accounts or CDs. You can change beneficiary designations at any time.

Retirement Plan Assets

Because our tax laws often subject retirement plan assets to the highest combined income and estate taxes, charitable donations of these assets may be the most efficient estate planning option. Many of the techniques discussed in this brochure can be used to create generous charitable gifts, usually at your death, from retirement plan assets that could otherwise be subject to tax rates of nearly 65 percent. At the same time, you can pass more tax-favored assets to your family. Because of the variety and complexity of retirement plans, you should consult an attorney or tax specialist for a strategy best suited to your situation.



Real Estate

A gift of real estate offers you the opportunity to make a significant charitable contribution with a tax-friendly outcome. There are several ways to donate real estate depending on your situation.

Outright Gift

An outright gift may be the simplest solution if you own property that is not mortgaged, has appreciated in value and that you no longer need or use, such as a second home or vacation property. You can deduct the fair market value of your gift and avoid all capital gains taxes. Plus, you no longer have to worry about the costs of continued ownership, and you have removed that asset from your taxable estate.

Retained Life Estate

Did you know that you can transfer the deed of your personal residence or farm to us now and keep the right to use the property for your lifetime and that of your spouse? You will receive a current charitable deduction in an amount that is based upon your and your spouse's life expectancy and the value of the property.

Bargain Sale

A bargain sale can generate a gift that is less than the full fair market value of the property. In this scenario you agree to sell the property to a charitable organization at less than its fair market value. The difference between the sale price and the fair market value is your charitable deduction. While the tax rules relating to a bargain sale are somewhat complex, the net result is often more favorable than selling the property at fair market value and making a charitable contribution from the realized capital gain.



Gifts That Give Back to You

There are several ways you can make a significant future gift to us while retaining, or in many cases increasing, the income you receive from the asset. Because you receive income in return for your gift, your charitable deduction is limited to the portion of the gift that will ultimately pass to Habitat for Humanity. We would be happy to discuss any of these methods with you in more detail or share sample illustrations of how a life income gift can benefit you first, then eventually us.

Charitable Gift Annuity

This is a simple contract between you and a charitable organization that pays you a fixed dollar amount (an annuity) for your lifetime and that of another individual, if desired, based upon your age(s) at the time of your gift. The older you are, the higher the annuity. If you use appreciated property to fund the gift annuity, you will escape the capital gains tax on the gift portion of the transaction and the remaining gain will be apportioned over your lifetime. This is a wonderful way to increase income from stocks that pay small dividends and carry heavy capital gains.

Charitable Remainder Trust

A charitable remainder trust is a trust that will pay the donor (and one or more other named beneficiaries, if desired) a fixed or variable income depending on the type of trust selected. The payments are made either for life or a period of time not to exceed 20 years. The annual payments cannot be less than 5 percent of the initial fair market value of the trust. At the end of the trust's term, the balance in the trust helps support our mission.



Charitable Lead Trust

This type of charitable trust pays income to one or more charitable organizations, typically for a period of years, and then the remaining assets of the trust pass to noncharitable beneficiaries, such as family members. While this type of trust usually does not provide a current income tax deduction, it can effectively pass property to family members at reduced estate and gift tax costs.

For More Information

The array of gift-giving options and the ways you can incorporate them into your estate plan are as varied as the circumstances they serve. We are always available to provide you with further information and suggestions on gifts that fit with your lifestyle and philanthropic goals. Just give us a call.

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Mission Statement – Habitat for Humanity of Anderson County is an ecumenical ministry that builds simple, decent, and affordable houses with participating families; working with diverse individuals, organizations, and faith communities to serve others.

Photography by: Kim MacDonald/Habitat for Humanity International



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