

Looking to the Future

Because of reductions in estate taxes in recent years, many Americans find they can now leave more to loved ones free of tax. This may also make it possible to give more for charitable purposes, both now and as part of your long-range financial plans.

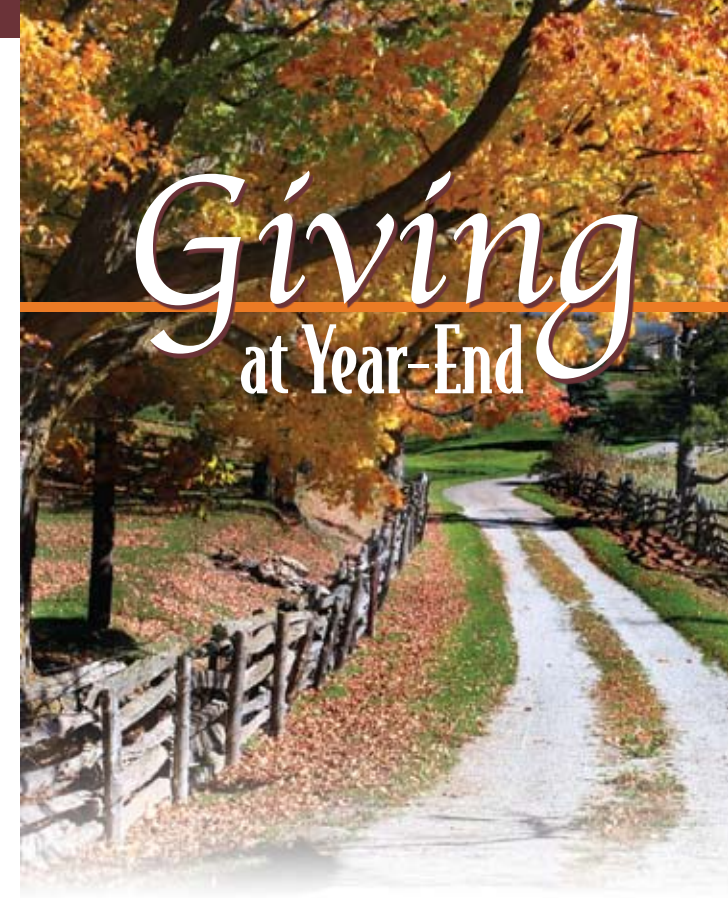
As you review your plans in light of tax law changes, you might wish to consider the following:

- **A gift through your will or living trust.** After providing for loved ones, you can leave a specific amount, a percentage of your estate, a certain property, or “what’s left.”
- **Gifts of life insurance.** If you own life insurance policies that have accumulated cash value, but are no longer needed for their original purposes, the value of such policies can be used to make gifts that provide welcome income tax savings today. In addition to, or as an alternative to, a gift by will, giving all or a portion of life insurance proceeds can also result in significant estate tax savings.
- **Gifts that provide income for you or others.** A number of ways to give can also provide you with increased income, current and future tax savings, and other benefits.

Act Today

As you can see, there are many ways you can make meaningful charitable contributions by carefully planning the timing of your gifts and the property to fund them.

We will be pleased to provide more information to you and/or your advisors as you act to complete your plans.



Giving at Year-End

LOGO

Name of Organization

Address

Phone, etc.

The purpose of this publication is to provide general gift, estate, and financial planning information. It is not intended as legal, accounting, or other professional advice. For assistance in planning charitable gifts with tax and other financial implications, the services of appropriate advisors should be obtained. Consult an attorney for advice if your plans require revision of a will or other legal document. Tax deductions vary based on applicable federal discount rates, which can change on a monthly basis. Some opportunities may not be available in all states. ©MMVIII RFSCO, Inc. All Rights Reserved. 8444-08

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The end of the year can be a good time to review important financial matters, including charitable gifts you would like to make before the close of 2008. This is especially true in times of rapid change.

Time spent determining the best ways to give while maximizing tax and other financial incentives can help you increase the amount and effectiveness of your gifts. Read on for ideas that may be beneficial as you and your advisors consider your plans for the rest of this year.

Maximize Tax Savings

Those who enjoy charitable giving may wish to examine the amount and timing of their gifts in order to make the most of their tax savings this year.

Your charitable gifts are one of the few tax savings opportunities that remain completely within your control. Remember that only those gifts made by December 31 can help reduce the amount of taxes you owe next April.

The higher your tax rate, the more your gifts will save you. If you are subject to the alternative minimum tax (AMT), you may be surprised to learn that charitable deductions serve to reduce the amount of both the regular income tax and the AMT.

What Can Be Given?

- **Cash.** Most charitable gifts are made in the form of cash and checks. When you

itemize your tax deductions, gifts of cash may serve to reduce taxes on up to half of your adjusted gross income (AGI).

- **Appreciated property.** Giving securities (individual stocks, bonds, or mutual fund shares) and certain other types of property that have increased in value can result in even more tax savings.

Not only are such gifts generally deductible from income tax at full value if owned for longer than one year, they also enable you to bypass capital gains tax that would have been due on a sale. Gifts of qualified assets can be deductible in amounts up to 30% of AGI.

If you believe a security will continue to increase in value, you may wish to give it and use cash that would otherwise have been used to make your donation to instead repurchase the same investment. You then own the same security, but with a new, higher cost basis.

If you own investments that have decreased in value, consider selling them and making a charitable gift of the cash proceeds. This creates a loss you may be able to deduct from other taxable income along with the amount of the cash contribution. The combined amount of the deductible loss and the charitable deduction may total more than the current value of the investment.

Whether you make a gift in the form of cash or other property, any unused deductions may be carried forward to reduce your taxes in as many as five future years. Your financial advisor can furnish you with additional information and the forms necessary to complete your gift in a timely manner.

Another Gift Option

Cash and securities are just two of many “pockets” from which you can give. As an alternative, if you are over the age of 59½ and have an IRA or other tax-favored retirement account, you may prefer to withdraw an amount sufficient to fund your charitable gifts for the year.

Although you will normally report the income on your tax return, when you itemize your deductions, you are entitled to a corresponding deduction for the amount of the gift. This can result in a “wash” for tax purposes, with no tax owed on the amount withdrawn. Check with your tax advisors on the specifics in your situation.