

# The Gift of a Lifetime Legacy



*Darlene and I have always said wherever we retire we want very good medical services available. Walnut Creek has it all, and we know that our contributions to John Muir Health will even further enhance the quality of medical care for the community. We couldn't ask for more.*

**Darlene and Joe Diehl**

## The Art of the Diehl

Joe and Darlene Diehl have lived in the Walnut Creek/Alamo area since 1969. As a young man, Joe was in the Navy and later worked for Pac Bell for many years before retiring. Darlene was a school teacher and homemaker.

With three active children, there were many visits to their local community hospital, John Muir Health. The couple has always been very impressed with John Muir Health physicians and the compassionate care their family has received over the years. They have been long-time, loyal John Muir Health donors for more than 25 years. According to Joe and Darlene, "Good doctors make good care and good care makes good communities."

In early 2020, Joe called the Foundation to inquire about establishing a Charitable Gift Annuity (CGA). Joe and Darlene were selling their home of 33 years and moving to a continuing care retirement community in Walnut Creek. They believed a CGA might fulfill their continued desire to support John Muir Health while also providing retirement income.

A Charitable Gift Annuity is a legal and financial arrangement in which a donor transfers assets to a charity and in exchange, receives a guaranteed income stream for a single or joint life as well as a charitable income tax deduction. Also, depending on the assets used to fund the CGA, a portion of the income can be tax-free. These benefits fit well into Joe and Darlene's overall financial plan.

After simply providing the Foundation with their birthdates and intended gift amount, Joe and Darlene were presented with an illustration explaining how the CGA would help them reach their financial goals as well as benefit John Muir Health. As an added benefit, the Diehls' were able to convert assets within their portfolio with high appreciation and a relatively low overall yield to a holding with an annual guaranteed payout rate of 7.4%. With their newly created CGA, these savvy investors and philanthropists found a fruitful way to support their ideal retirement lifestyle and John Muir Health.

Joe and Darlene continue to be very appreciative of John Muir Health, especially during the height of the pandemic when John Muir Health and their retirement community worked together to provide free COVID-19 vaccinations to the residents. And with this wonderful plan in place, Joe and Darlene are enjoying the many activities available at their new residence and are even learning to play bocce ball.

## Your Legacy

We invite you to continue the Legacy of Caring provided by John Muir Health by establishing your own Legacy of Giving through your charitable estate plans. We would be happy to help you explore gift options that meet your personal planning and philanthropic goals.

# Welcome to Legacy!



**Mary Sherman**  
Program Manager  
Legacy Giving

## Sharing Our Vision and Values—Integrity

Archimedes, the famous inventor of Ancient Greece, writes: “Give me a place to stand, and a lever long enough, and I will move the world.” The exercise of our values is the lever by which we can “move the world” and, as Archimedes suggests, provides us with the power to lift the world to a better place. Together with our communities, we lift each other up through expressions of generosity that are for the benefit of others. Our values are an agent of change.

This year we have been focused on highlighting the value of Integrity on the Legacy Compass. As we reflect on the enormous social changes that our society and world are experiencing, in the spirit of Integrity, the symbol of the Legacy Program has evolved.

The evolution of the Legacy Compass involves a new navigation point on the compass—Equity. Equity is a value that is built on respect and dignity for all. Equity recognizes that each person has different circumstances and that we must address their specific needs to help them reach their full potential. In this instance, the lever for John Muir Health that Archimedes wrote about is building partnerships in order to understand and bring resources to meet the unique needs of the most vulnerable in our community. As John Muir Health and the John Muir Health Foundation continue to embrace the values of “Equity” and “Integrity” we advance to a fuller realization of our mission of improving the health of the communities we serve with quality and compassion.

Over the years to come, we will continue to reflect on this values-based model of philanthropy and express our gratitude to each of you for your generosity that provides us with the “Power of Lift”.



## Create Your Legacy Gift

Charitable estate planning can be financially beneficial for families and individuals of various ages and income levels. Find out what planning a Legacy Gift to John Muir Health can do for you and your loved ones—now and in the future.

### Gifts John Muir Health Can Use Today



IRA Rollover Gifts  
Donor Advised Funds  
Appreciated Securities

### Gifts That Can Pay You Income



Charitable Gift Annuity  
Charitable Remainder Trust

### Gifts That Take Effect After Your Lifetime



Bequest  
Retained Life Estate  
Charitable Beneficiary Designations  
Retirement Plan  
Life Insurance

For more information on how to create a Legacy of Caring and Giving that is meaningful to you and your family, please contact the Office of Legacy Giving at [Mary.Sherman@johnmuirhealth.com](mailto:Mary.Sherman@johnmuirhealth.com)

# Income And Tax Planning—Best of Both Worlds

A Charitable Gift Annuity (CGA) is a wonderful vehicle for expressing your support for the charitable organizations you care about. There are so many wonderful benefits to establishing a CGA that we often refer to it as “A Gift That Gives”. This article will explore some of the Income and Tax Planning opportunities with this wonderful giving option.

In addition to the charts, we have provided for the income and tax benefits of establishing a \$50,000 CGA funded with cash based upon either a single life or two joint lives, please consider the following Income and Tax benefits as described below:

## INCOME PLANNING

- CGAs provide you with the opportunity to convert your low yielding certificates of deposit (CDs) as they mature into high income yielding instruments providing you with fixed, reliable income for life.

- As with Joe and Darlene Diehl, CGAs can be funded with appreciated securities that may result in you receiving a higher yield on your assets than what you were earning while holding the donated securities.

- CGAs are often used as part of an overall income strategy for retirement planning. Establishing a flexible deferred CGA allows you to choose a date when you will receive income in the future and earn a higher CGA rate than the rate available at your current age.

## TAX PLANNING

- The use of cash to fund CGAs (i.e. cash available from maturing CDs), allows you to receive a significant portion of your annual CGA income as tax-free.

- Using appreciated securities to fund your CGA allows you to receive income payments based upon the full fair market value of the securities donated and defers the recognition of capital gain on the securities donated.

### Sample One-Life Charitable Gift Annuity Rates and Payments For a \$50,000 Annuity

Age	Rate*	Annual Payment	Tax Free Portion	Estimated Tax Deduction
70	4.70%	\$2,350	\$1,927	\$19,375
75	5.40%	\$2,700	\$2,246	\$22,140
80	6.50%	\$3,250	\$2,743	\$24,225
85	7.60%	\$3,800	\$3,314	\$27,475
90	8.60%	\$4,300	\$3,797	\$31,405

\*Rates are subject to change.

### Sample Two-Life Charitable Gift Annuity

Age	Rate*	Annual Payment	Tax Free Portion	Estimated Tax Deduction
70	4.20%	\$2,100	\$1,726	\$14,600
75	4.60%	\$2,300	\$1,918	\$18,545
80	5.40%	\$2,700	\$2,290	\$20,935
85	6.50%	\$3,250	\$2,811	\$23,285
90	8.20%	\$4,100	\$3,575	\$24,970

Please contact the Office of Legacy Giving for a financial illustration customized for you.

Office of  
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# National Gift Annuity Foundation—A Trusted Partner

One of the benefits of establishing a Charitable Gift Annuity is that a donor can enjoy steady, reliable income for life. To accomplish this goal, the John Muir Health Foundation has partnered with the National Gift Annuity Foundation (NGAF) to serve as a third party administrator for our Charitable Gift Annuity Program. What this means is that the gift annuity contract is issued and serviced by the NGAF for the benefit of the John Muir Health Foundation and the income stream is guaranteed and backed by the general assets of NGAF.

1. Make an irrevocable gift of \$20,000 or more (cash or securities)

2. A Charitable Gift Annuity provides you with a generous income tax deduction and a fixed income for you and/or your loved ones, for life.

**CGA**



3. The remainder amount is applied to the John Muir Health Fund of your choice.

## As our trusted partner in this program, here are some important facts about NGAF:

- NGAF currently has over 560+ active CGA contracts
- Income payments are supported by a CGA pool of assets estimated at \$44 million as of 12/31/2020
- NGAF has never defaulted on one of its annuity contracts
- NGAF is a wholly-owned subsidiary of the Dechomai Foundation
- Dechomai has doubled in size since 2014 & has over \$675 million in unrestricted assets to support gift annuity obligations of the National Gift Annuity Foundation
- Once the term of the annuity contract ends, NGAF distributes the entire remainder value of the annuity to John Muir Health Foundation for the charitable purpose you have designated

# A SECURE Way to Stretch

For those who are charitably minded, there is a new technique for possibly stretching out the payments from your retirement accounts that benefit both your heirs and charity as part of your overall estate plan. In the category of things are always changing, in the “good ole’ days” an individual with a retirement account was able to “Stretch” payments to individuals from their retirement accounts over the lifetime of their intended beneficiaries.

As a result of the SECURE Act, this planning strategy is no longer available, and in general individuals are required to take distributions from an inherited retirement account within 10 years. In some situations, this will result in the receipt of a sizeable amount of income resulting in higher taxes.

One charitable planning technique that can assist with this issue is the naming of a Charitable Remainder Trust (CRUT) as the beneficiary of your retirement account and naming your intended heirs of the retirement account as the income beneficiary of the Charitable Remainder Trust.

Notably, CRUTs have the potential to offer certain individuals similar benefits as would have been provided by the “Stretch”, such as tax deferral, and the ability to distribute assets annually over the life expectancy of your intended beneficiaries. And similar to the “Stretch”, income beneficiaries of a CRUT pay taxes on the distributions they receive (from the trust) on their personal returns.

For more information on this planning technique, please contact the Office of Legacy Giving or your personal financial and legal advisor. Happy Stretching!!



## Year-End Charitable Planning Tips For 2021

### • Above The Line Charitable Contribution Deduction

Taxpayers who don't itemize can take advantage of a \$300 above-the-line deduction for cash contributions to qualified charities (couples filing jointly can deduct up to \$600).

### • Increased Limit For Cash Contributions

If you itemize, you can elect to deduct up to 100% of your AGI by making charitable gifts of cash. Note: donations to donor advised funds and private foundations are not eligible for the increase.

### • Reduce Your Adjusted Gross Income by making an IRA Rollover Gift

Since Required Minimum Distributions (RMD) have resumed for 2021, taxpayers at least age 70 and a half should consider making qualified charitable distributions (QCD) of up to \$100,000 from their traditional IRA to charity.

### • Review Your Portfolio & Consider Making Gifts of Appreciated Securities Owned Longer Than One Year

### • Consider Making A Charitable Gift To Establish or Add to Your Donor Advised Fund

### • Consider Funding A Charitable Gift Annuity with Cash From A Certificate of Deposit That is Maturing

### • Contact Your Legal and/or Financial Advisor About Gift Strategies That Are Right For You