change the beneficiary at a later date, and otherwise retain your ownership of the policy. In this instance, no current federal income tax charitable deduction is available to you since you would still be the owner of the policy. However, at the time of your death, your estate would receive a charitable deduction when the proceeds of the policy are paid to us.

To receive a current federal income tax deduction, you would need to designate us as both the owner and the beneficiary of the life insurance policy. The deduction will be approximately equal to the policy's cash value or your cost basis. Check with your insurance agent for details.

GIFTS THROUGH YOUR WILL

If your estate is subject to the federal estate tax, a charitable bequest can save significant tax dollars. We can be named as a beneficiary in your will in any one of a number of ways.

Outright bequest: You can specify an outright gift of cash, securities, real estate or tangible personal property. If you bequeath dollars, you may wish to bequeath a certain fraction or percentage of your estate to us, rather than a fixed sum; this serves as a hedge against both inflation and unforeseen shrinkage - and assures your heirs their proportionate share.

Residual bequest: A residual bequest provides that, after specific bequests are made to named individuals, we receive the "residue" or the amount remaining in the estate.

Contingent bequest: A contingent bequest means that we will receive certain assets only if a named individual does not survive you. For example, you could provide for us to receive a bequest only if your spouse does not survive you. Such a provision recognizes the need to provide first for the security of others.

Testamentary trust: Such a trust can provide income for another person or persons for life, with the principal ultimately passing to us.

Codicil: If you already have a valid, up-to-date will, you can have your attorney prepare a codicil to your will naming us as a beneficiary without having to rewrite your entire will.

FOR ADDITIONAL INFORMATION

Always check with your accountant, attorney, or tax advisor for additional information on how general rules apply to your particular situation. We appreciate your interest and support and would be pleased to provide additional information on the advantages of planned giving.

Five Planned Giving Options

A brief guide to tax savings

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Planned giving is as easy as (1) making a charitable gift, and (2) saving taxes. We'd like to make it even easier with this primer on some of the best ways to give-and save.

GIFTS OF CASH

If you itemize, you can lower your income taxes simply by writing us a check.

Gifts of cash are fully deductible - up to a maximum of 60% of your adjusted gross income. For example, if your adjusted gross income for this year is $50,000 up to $30,000 of charitable gifts may be deducted this year. Any excess can generally be carried forward and deducted over as many as five subsequent years.

GIFTS FROM RETIREMENT PLANS

Retirement plan assets (those in qualified plans and IRAs) are ideal for charitable giving purposes because these assets are often heavily taxed when passed to non-spouse beneficiaries. To make a future gift of retirement plan assets simply requires a designation of Mariners Inn as the beneficiary of the plan. Making a present gift of retirement account assets during your lifetime has been permitted under recent law for certain tax years; check with your tax advisor before making a gift of retirement plan assets.

A new rule made permanent in the Tax Code is the use of a Qualified Charitable

Distribution (QCD). This is a direct distribution from your IRA to a charity. A QCD is excluded from income if it meets the following requirements:

- It is made after the donor reaches the age of 70 1/2;
- It is made from an IRA, Roth IRA, or Simple IRA; and
- It is made to an eligible charity.

Example: If Angela gave her Required Minimum Distribution (RMD) of $10,000 to her charity, she would reduce her taxable income by $10,000, saving $2,500 of federal income taxes and up to $425 in Michigan income taxes, for a total of about $2,925. The QCD is a direct reduction of taxable income.

GIFTS OF STOCK

If you own stock, it is often more tax-wise to contribute stock than cash.

This is because a gift of appreciated stock generally offers a two-fold tax saving. First, you avoid paying any capital gains tax on the increase in value of the stock. Second, you receive an income tax deduction for the full fair market value of the stock.

Example: If you purchased some stock many years ago for only $1,000, and it is now worth $10,000, an outright gift of the stock to us would result in a charitable contribution deduction of $10,000. In addition, there is no tax on the $9,000 of appreciation.

Make sure you have owned the stock for a "long-term" period of time (this generally means that you have held the stock for more than one year) to qualify for these significant tax advantages.

Gifts of appreciated stock are fully deductible - up to a maximum of 30% of your adjusted gross income. For example, if your adjusted gross income for this year is $100,000, up to $30,000 of long-term appreciated stock and other property gifts may generally be deducted this year. Any excess can generally be carried forward and deducted over as many as five subsequent years.

GIFTS OF LIFE INSURANCE

A gift of life insurance can provide a significant charitable deduction and another excellent means for making a gift to us. You could purchase a new policy or donate a policy that you currently own but no longer need.

We can be designated as the beneficiary of the policy, while you retain the right to