faith & finance
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Guide to Leaving a Legacy Through Charitable Giving

Charitable Giving & Tax-Wise Planning Concepts

If God has called you to support the church or other ministries during your life, it's natural to consider including them as part of your estate plan. Giving to ministry through your will or estate is called legacy giving and is often the largest gift you will ever make to charity. This act of giving allows you to make a meaningful, significant contribution that supports Kingdom work and leaves a lasting impact.

Scripture encourages us to live generous lives:

> *"Whoever sows generously will also reap generously... God loves a cheerful giver." (2 Corinthians 9:6-7)*

> *"Be rich in good deeds, and be generous and willing to share." (1 Timothy 6:18-19)*

The generosity of the early church in Acts and Paul's praise for the Macedonian believers remind us of the grace and joy found in giving back to the Lord.

How Much to Give?

Deciding how much to give to ministry from your estate is a personal choice between you and the Lord. There's no set formula or biblical mandate, but here are a few considerations as you pray through this decision:

- If you have **dependents**, providing for their physical and spiritual well-being should be your first priority. Once your children reach adulthood and their needs are met, you may want to revisit your estate plan to consider how more of your assets could advance the Lord's work.

- **If you tithe or give regularly, your estate can reflect this same commitment**. Estate assets, such as investments or property, often increase in value over time and can be considered part of the resources God has provided for you to share.

- Some families are inspired by a concept called **"A Child Called Ministry."** With this approach, your estate is divided into shares—one for each child and an additional share for ministry.

As Scripture reminds us: *"Each of you should give what you have decided in your heart to give, not reluctantly or under compulsion, for God loves a cheerful giver." (2 Corinthians 9:7)*

Legacy Advised Funds (LAF)

If you want to support multiple charities or ministries—and anticipate your preferences may change over time—an LAF is a fl xible and efficient solution. Think of it as a charitable giving account at Orchard Alliance that simplifies your estate giving.

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How It Works

- Your LAF allows you to name charitable beneficiaries and assign a percentage of your estate to each organization.
- You can name the LAF as the beneficiary of a portion of your will, living trust, retirement accounts, or other financial accounts.
- If your giving preferences change, simply update your LAF with Orchard Alliance—no need to revise your will or other estate documents.

This approach simplifies your charitable giving, saves you time and money, and ensures your gifts are distributed according to your wishes.

If you are interested in using a Legacy Advised Fund in your will or other estate plans, please review the Legacy Advised Fund information and application. If you have any questions about setting up an LAF, please contact our Gift & Estate Design team.

Tax-Wise Giving

When a tax-deferred asset, like a traditional IRA or 401(k), passes to your estate or to a loved one, taxes will likely reduce its value. The government will claim its portion, and your beneficiaries may face a significant tax burden. However, charities are not subject to these taxes, which means that giving these assets to ministry can ensure that more of your resources go exactly where you intend.

Why Tax-Deferred Assets?

Tax-deferred retirement accounts, such as traditional IRAs and 401(ks, are often saved for sustaining you throughout retirement, not necessarily for passing to your children. If the Lord calls you home before those funds are fully used, consider:

- **Naming your church or favorite ministries as beneficiaries of these assets.**
- By doing so, you avoid the tax burden that would otherwise reduce the gift's value while ensuring the full amount can bless the ministries you care about.

This approach allows you to be a good steward of your resources while maximizing your impact for Kingdom work.

How to Get Started:

- Review your current beneficiaries for tax-deferred accounts.
- Pray about whether you'd like to leave a portion—or all—of these assets to ministry.
- Name one or more ministries as beneficiaries on your retirement accounts to ma e the transfer seamless.

If you'd like to learn more about tax-wise ways to maximize your giving to ministry, please read our article on Tax-Wise Concepts for Effective Planning.

Click here if you are interested in making a tax-effective non-cash charitable gift now.