



LEGACY NEWS

Estate Planning & Financial News for Friends of Guide Dogs for the Blind

FALL 2017

DORIS MCFADDEN: SUPPORTER OF GUIDE DOGS FOR THE BLIND SINCE THE BEGINNING

In 1942, a 12-year-old “dog crazy” Doris McFadden helped out at a Dalmatian kennel near her home in Richmond, California. The kennel owner gave her the opportunity to learn about the world of dogs. At a San Francisco dog show, Doris heard about a new organization called Guide Dogs for the Blind. At the time, GDB accepted dogs to be trained,

and Doris wanted to donate her own pet to the program.

Caring for the Dalmatians and the kennel owner’s Belgian Shepherd puppies solidified Doris’s love of dogs, and her interest in dog training blossomed. Doris says, “It was a great experience and taught me responsibility.”

Doris became one of the first GDB volunteers before we had a campus to call home. In June of 2017, Doris traveled from Arizona back to California to be honored by GDB during our 75th anniversary celebration. She participated in puppy socialization, met volunteers and toured the campus. She had lunch with staff, where she shared her history of dog training and her continued love for Guide Dogs for the Blind.

Submitted by Amber Polo

We’d like to thank Doris for joining the Legacy Society and for her generosity over the years. To learn more about our Legacy Society, see Page 2.

From left: Jane Flower, Outreach Manager (with guide dog, Anja), Sue Dishart, Planned Giving Officer, Doris McFadden, Legacy Society member and volunteer, and Theresa Stern, VP of Outreach, Admissions and Alumni (with guide dog, Wills).



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ACCOMPLISH YOUR GOALS WITH A CHARITABLE TRUST

Making a gift to Guide Dogs for the Blind through a charitable remainder trust (CRT)—a popular giving plan that allows you to place assets in a trust, receive income for yourself or provide for others for a period of time and then have the trust remainder go to charity—is an excellent way to combine your personal financial planning goals with your desire to support our work. With a CRT, you can accomplish many different goals:

- **I want to increase my retirement income.** A CRT can help you boost spendable income, particularly when funded with appreciated securities or real estate. This giving option is a good way to unlock income from low-yielding assets and possibly reduce, delay or eliminate capital gains tax. Gift and estate taxes can also be reduced or eliminated.
- **I want to provide for loved ones.** Many people who are preparing for retirement are also financially assisting others (parents, children, etc.) with after-tax

dollars. By transferring assets to a CRT, you can direct income payments to loved ones, in addition to a spouse or partner.

- **I want to reduce taxes.** An investment in the future of Guide Dogs for the Blind will allow you to enjoy tax benefits today. The charitable deduction from a CRT is based on the length of time the CRT exists, the age(s) of those who will receive the income, the amount of the expected income distributions and other factors.
- **I no longer want the responsibility of being a landlord.** Transferring income property to a CRT unlocks its full value for reinvestment. No capital gains tax or other taxes are due at the time of sale, the trust will produce income for you and/or another person and you may claim a charitable deduction.
- **I want to preserve my assets.** A CRT can provide long-term professional management for the assets you contribute.



Guide Dogs for the Blind CEO invites you to join our Legacy Society.

The Legacy Society honors the generosity of those who have chosen to include GDB in their estate plan, whether through a will or trust, gift annuity, charitable trust, or beneficiary designation on a bank account, life insurance policy or retirement plan. Your visionary planning will ensure that GDB remains a world leader in guide dog training for the blind and visually impaired for many years to come. See Page 1 to learn about one of our first Legacy Society members.

Christine Benninger, Legacy Society Member and Guide Dogs for the Blind's CEO, holds a future guide dog.

GDB puppy-in-training, Rummy, with puppy raisers at GDB's California campus "Fun Day"



AN EXAMPLE

Nina, age 75, has owned a rental property for more than 40 years and is tired of dealing with tenants and maintaining the aging building. She considered selling the property, but does not want to pay tax on the substantial capital gains, and she needs the rental income of \$1,500 per month to live on. Nina is also an avid dog-lover and supporter of Guide Dogs for the Blind.

As a way to achieve her financial and philanthropic goals, Nina transfers her

Nina's Options	No Sale	Regular Sale	CRT
Net Sale Price	n/a	\$500,000	\$500,000
Cost Basis	\$50,000	\$50,000	\$50,000
Capital Gain	n/a	\$450,000	\$450,000
Capital Gains (20%) and Other Taxes (3.8%)	n/a	\$107,100	\$0
Investable Assets	n/a	\$342,900	\$500,000
First Year Income to Nina	\$18,000 (before expenses)	\$17,145*	\$25,000*
Charitable Deduction	n/a	\$0	\$300,905

*assumes 5% return

property to a charitable remainder trust that will pay her lifetime income and eventually benefit Guide Dogs for the Blind. See the chart on the left for a comparison of the outcome when Nina liquidates her property through a CRT versus selling it outside of a charitable trust.

By establishing a CRT, Nina receives more income than she would through rent, she no longer has maintenance costs and she owes no capital gains tax. An income tax charitable deduction the year she makes her gift offsets her increased income. Furthermore, by disposing of her property this way, she does not cause her adjusted gross income to increase.

Nina avoids the hassle of selling the building (as this is the trustee's responsibility) and no longer needs to serve as a property manager. A CRT allows her to increase her annual income, simplify her life and make a substantial future gift to Guide Dogs for the Blind.

If you would like more information about CRTs, we are happy to assist you or your advisors. Contact planned giving staff members Sue Dishart (415.488.2289) or Joan Scott (415.499.4073), or visit our website: guidedogs.com/planned-giving.



**Guide Dogs
for the Blind**

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*Harnessing the power of
partnership—connecting
people and guide dogs,
at no cost.*

guidedogs.com/planned-giving

Guide Dogs for the Blind



Meet our Planned Giving Team:
*Joan Scott, Planned Giving
Coordinator, Sue Dishart, Planned
Giving Officer, and
Tom Horton, VP of Philanthropy.*

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SMART GIVING AT YEAR-END

Securities and retirement plans are essential pieces of a sound financial future. They can also be valuable sources for charitable gifts.

GIVING SECURITIES

Securities owned for more than one year are excellent assets to use when making your charitable gifts—particularly given the market's current performance—because they can provide several types of tax benefits:

- Capital gains tax that would otherwise be due if the securities were sold can be bypassed if these assets are donated.
- Gifts of appreciated securities are generally deductible from income taxes at fair market value, regardless of their original cost.
- Unused deductions can help reduce taxes in up to five future tax years.

GIVING RETIREMENT ASSETS (IRAs)

Another way to make a current gift to GDB at year-end is to give directly from your individual retirement account (if you are age 70½ or older).

Giving from your IRA is particularly beneficial for those who do not itemize or those who are required to take IRA distributions each year (when you direct these assets to charity, you do not have to report them as taxable income, and thereby avoid increasing your adjusted gross income and subjecting your Social Security income to higher levels of taxation). Individuals may give up to \$100,000 per year from an IRA. **To take advantage of tax benefits for this year, be sure to make your gifts before December 31.**