

Arctic Footprints

News & Ideas for Charitable Giving

Spring 2021

Seminarian Endowment Update

- Warren Lucero ordained to the Permanent Diaconate.
- Seminarians Dominik Wojcik and Piotr Oprych ordained to the Transitional Diaconate.
- Over \$150,000 raised for the Seminarian Endowment Fund in 2020.

The Diocese joyfully celebrated three ordinations at Sacred Heart Cathedral in Fairbanks on December 8, 2020 and on January 1, 2021! All three men celebrated the Rite of Admission to Candidacy with Bishop Zielinski on August 6, 2020 at the Feast of the Transfiguration. (This day also commemorated the 20-year anniversary of the passing

of Bishop Michael J. Kaniecki, SJ., in 2000.)

On December 3, 2020, Warren Lucero made his Profession of Faith and Oath of Fidelity before Bishop Chad Zielinski and Father Robert Fath in the Chancery Chapel. On December 8, the Feast of the Immaculate Conception, Warren was ordained to the Permanent Diaconate by retired Archbishop (Archdiocese of Anchorage) Roger Schwietz, OMI.

Dominik Wojcik and Piotr Oprych were ordained by Bishop Chad Zielinski on January 1, 2021. Both are studying for the priesthood at Saints Cyril and Methodius Seminary in Orchard Lake, Michigan. Fellow seminarians Josh Miller and Michael Kohler both served as acolytes during the ordination Mass.

Thanks to generous donations from diocesan benefactors, over \$150,000 was raised in 2020 for the Seminary Endowment Fund, bringing the current fund balance to just over \$2 million.



Warren Lucero



Piotr Oprych



Dominik Wojcik



Ordination

Inside:

- Estate Planning—With or Without Taxes
- Additional Ways to Give This Year



Gifts That Give Back

Each year millions of people make gifts to charitable organizations such as the Diocese of Fairbanks. Whatever your motivations for giving, there are ways to give that provide opportunities to make a strong impact while also saving you money come tax season. Some donors have discovered they can receive something else—lifetime payments from their gifts.

With a life income gift, you can make a gift and arrange for yourself, or for others, the option to receive payments for life. There are many different ways to arrange lifetime payments, such as through charitable gift annuities or charitable remainder trusts. Read on to learn more about the similar advantages all these options offer.

Income for life

You can arrange payments for yourself or others. These payments can last for life or up to a specific number of years (up to 20). You determine the frequency of payments (e.g., quarterly, semiannually, annually) and the type of payments (payments that are fixed or that can fluctuate from year to year).

Charitable deductions

You are entitled to an immediate income tax deduction for the value of the Diocese of Fairbanks' right to receive the gift principal in the future. Deductions frequently allow donors to make much larger gifts than would otherwise be possible.

If we can provide you or your advisor with more information about making the Diocese of Fairbanks a part of your plans, please contact us.

Estate Planning— With or Without Taxes

Estate planning is much more than just tax planning. People whose estates are below the federal estate tax threshold (\$11.7 million per person or \$23.4 million per married couple) still need wills and living trusts to address a variety of family and personal needs.

For example:

- A widower wants the bulk of his estate to assist his disabled son through a special needs trust.
- A bride in her 60s wants her estate to be available to her new husband for his lifetime and then wants the assets to pass to her children.
- Parents with minor children want to name a guardian and establish a trust to administer their estate.
- A couple with no children wants their assets divided equally between their families.
- A man wishes to leave any assets remaining in his IRA to charity in memory of his parents.

All of these situations involve people whose estates will not be subject to estate tax under current law but, nevertheless, have wishes that can only be addressed through thoughtful estate planning. For some, a simple will is sufficient; others may need a living trust in addition to a will.

If you don't already have a will, make an appointment with an attorney about having one drafted. If you have a will, review it today to ensure it reflects your wishes for the disposition of your estate.

If you are one of the very few whose estate is likely to be subject to federal estate taxes, ask your attorney to review your estate plan to take advantage of planning opportunities to reduce or eliminate those taxes.

Please return the enclosed reply card or contact us for more information and if we can answer any questions about the charitable aspects of your plans.

Additional Ways to Give This Year

As we move forward into a new year, you may be searching for new ways to give to the organizations that matter to you, like the Diocese of Fairbanks, and that also provide tax benefits. Consider the following to see what giving options may work for you.

Do you itemize deductions?

If your total deductions are more than the standard deduction, you could itemize deductions. If you do not itemize, consider bunching your charitable gifts in alternate years or other intervals in order to itemize in some years.

Do you have an IRA?

IRA owners who are 70½ or older can make qualified charitable distributions (QCDs). These QCDs allow you to make tax-free charitable gifts up to a total of \$100,000 per individual per year (\$200,000 per couple with separate IRAs) directly from your IRA.

* Such gifts can count toward any annual required minimum distribution (RMD).

Do you own stock or other noncash assets?

Consider giving stock or other appropriate noncash assets. You will bypass capital gains tax while enjoying a federal income tax deduction. These savings may allow you to make larger gifts than you thought possible.

Do you own highly appreciated assets?

An income gift may be a smart option for you. You can use highly appreciated assets that produce limited cash flow to fund a gift that provides a tax deduction as well as payments for life or for a term of years.

Contact us to learn more about these ideas or to discuss additional options that may work for you.

*Reductions apply for those who also make deductible IRA contributions after age 70½.



Good News for Givers in 2021

Two provisions encouraging gifts to charity were included in legislation signed into law in late 2020. For the 2021 tax year:

- Taxpayers who don't itemize can claim a deduction of up to \$300 (\$600 for joint filers) for cash gifts to charity. This does not apply to gifts to donor advised funds.
- For those who itemize, the deduction limit for cash gifts is increased from 60% of adjusted gross income (AGI) to 100% of AGI. Gifts of appreciated assets remain deductible only up to 30% of adjusted gross income. Deductions that exceed these amounts can be carried over for up to five additional tax years.

Learn more

Please reach out to your financial advisors to find out the best ways to make your charitable gifts in light of recent tax law changes and your specific circumstances. Or, for more information, contact us.



Considering a Bequest?

If you are considering making a gift to the Diocese of Fairbanks through your will or trust, we sincerely thank you. These gifts make a profound difference in our ministries. Here is some language you may want to share with your attorney:

“I give the sum of \$_____ to the Catholic Bishop of Northern Alaska, 1312 Peger Road, Fairbanks, Alaska 99709”; or “I leave all (or a portion) of the rest, residue and remainder of my property of every kind and character, including personal property and real estate and wheresoever the same may be situated, I give and devise to the Catholic Bishop of Northern Alaska, 1312 Peger Road, Fairbanks, Alaska 99709.”

Are Your Plans Up to Date?

Most people find they need to make changes in their estate plans from time to time. Take this quiz to see how your existing plans compare to your current needs.

1. I have a will or other legal arrangement for distributing my property. True False
2. My employment status has not changed since last reviewing my affairs. True False
3. My marital status has not changed since my last review. True False
4. No significant increases or decreases in wealth have occurred since my last review. True False
5. Children or grandchildren have not been born since my plans were last reviewed. True False
6. I have provided explicit written authority to my executor or trustee to access digital accounts, records and assets (e.g., photographs, emails). True False
7. I know my will may not determine the beneficiaries of my life insurance and retirement plans. True False
8. My friends, loved ones and my charitable interests are included in my plans in accordance with my current wishes. True False

How did you do?

This quiz is easy to score; all **True** answers indicate your plans are likely up to date. If you answered **False** to any question, you may wish to discuss that issue with your professional advisor.

We will be happy to answer any questions you may have about the benefits of including gifts to the Diocese of Fairbanks as part of your plans. Simply contact us, confidentially and with no obligation, for more information.



More information

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Dr. Les Maiman

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