

LIVING LEGACY

FOR FRIENDS OF MORRIS HOSPITAL

MORRIS HOSPITAL
FOUNDATION



The Future of Charitable Giving Tax Benefits

The surprising result of the 2016 Presidential election means that the Republican Party controls the Executive and Legislative branches of government. As a result, we anticipate significant changes in tax law that could affect the tax benefits of charitable giving.

Trump's tax proposal

President Trump's proposal significantly curtails the benefits of itemizing deductions relative to current law because the plan would significantly increase the standard deduction for taxpayers who do not itemize. Although the proposal would preserve the deduction for charitable gifts (and mortgage interest), it would cap total itemized deductions, including charitable contributions, at \$100,000 for single filers

and \$200,000 for married couples filing jointly. Such a cap would have little to no impact for donors who make modest annual charitable gifts. However, donors who wish to make

large, transformational gifts could be limited in their ability to benefit from the income tax charitable deduction.

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New Year's Resolutions – Estate Planning

This is a great time of year. The frenetic pace of the holidays is now behind us and we have the memories of time spent with family and friends. Thus, the New Year brings a time to reflect, plan, and seek to do those things that we meant to do last year but never quite found the time. For some of us, the New Year to-do list includes planning for the future; whether that be for retirement, our health, or for our family's needs. While finances and future plans are on many resolutions lists, sometimes the hardest part is taking that next step. Here are some questions you might think about to help move your planning forward.

- ✓ What has changed in your life -- marital status, children or grandchildren that have been born, health condition has changed?
- ✓ Does your will arrange for the care of any minor children or pets? Does it provide for any special needs your loved ones may have? Does it minimize taxes and name a capable executor to oversee your affairs?

- ✓ Do you have a health care proxy? Have you given directions to be followed in case you become incapacitated and can't make decisions for yourself?
- ✓ How much of your savings will you need? When will you need it? Will your income maintain the lifestyle you envision?
- ✓ How will you support the people and causes important to you? Have you considered the right plan to make your goals a reality?

When you create or review your plans you have an opportunity to consider gifts to the community as well as your family and friends. Take a moment to think about Morris Hospital and other organizations that have been important to you during your life, and what kind of legacy you might provide for them.

If getting your finances in order or retirement planning is on your to-do list this year, we can provide you with creative gift strategies on how to approach financial planning for your future, your loved ones and Morris.

Please seek legal and estate planning advice before deciding on a course of action. This information should not be relied upon as a substitute for professional advice. If you do not wish to receive future newsletters, please contact Hannah Wehrle at 815.705.7021 or hwehrle@morrishospital.org to unsubscribe.

House's tax proposal preserves charitable deduction

The tax proposal developed by House Republicans called A Better Way, led by Speaker Paul Ryan, shares many similarities with President Trump's proposal. The House plan calls for a somewhat lower standard deduction than Trump's proposal (\$24,000 vs. Trump's \$30,000 for married couples filing jointly), in either case reducing the number of people who itemize under current law. Although, the House plan eliminates all itemized deductions except for the income tax charitable deduction and mortgage interest deduction, it would not place a cap on allowed deductions. The House proposal would therefore preserve the income tax charitable deduction in its current form, but reduce the number of taxpayers who could itemize charitable deductions.

What to make of it all?

The proponents of the Trump and House tax proposals need to hammer out their differences during legislative negotiations. But the many similarities between the two plans indicates that a final tax bill is likely to include these new provisions. Some of the tax law changes could reduce the tax benefits of making a charitable gift. Both plans also propose to lower the top income tax rate, a change which would effectively reduce the value of the income tax charitable deduction. Nonetheless, the mortgage interest and charitable deductions are likely to be preserved, but could be subject to dollar caps.

The House plan suggests that the best way to promote charitable giving is to improve the overall health of the American economy. Indeed, in theory a more robust economy could spur more charitable giving despite reduced tax incentives for charitable giving. Needless to say, it will be interesting to see how the process of reconciling these competing proposals plays out.

The Gift That Provides For A Secure Tomorrow

You can strengthen your commitment to patient care, while avoiding market volatility and receiving immediate financial benefits.

Make a gift to Morris Hospital Foundation and receive an income tax charitable deduction and guaranteed lifetime income.

- This gift can be made if you are over the age of 65 and contribute at least \$10,000.
- The size of your payment will depend on your age at the time you make your gift.
- You can choose just to receive payments for yourself or for you and another person.
- Increase your tax benefits and avoid tax if you make your gift using appreciated stock.

Help clinicians deliver the highest quality healthcare and allow researchers to pursue new treatments and cures—all while receiving a secure income stream for years to come.

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MORRIS HOSPITAL
FOUNDATION

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Today's Promise for Tomorrow's Future.

LIVING LEGACY

WINTER 2017



FOR FRIENDS OF MORRIS HOSPITAL

Whether or not you already have an estate plan in place, you can provide for loved ones and maintain control of your estate while supporting your community and Morris Hospital.

Contact us to get started:

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