

SPRING 2022

CHARTING THE COURSE

Creating a secure future
through charitable planning

SPOTLIGHT

How to use your
will, trust or a
non-probate gift to
make a meaningful
bequest to charity

INSIDE THIS ISSUE

- Create lifelong income and save on taxes by donating real estate
- Protect those you love with an up-to-date will
- Meet our new planned giving team member





Making one last gift to charity: Easy alternatives to wills or living trusts

Using a will or living trust to make charitable gifts is an integral part of American philanthropy. These tools allow people to make sizable gifts to charity, which they could not have made during their lifetime.

Bequests made this way can take the form of a fixed dollar amount, a percentage of the donor's estate or trust, or the residual of the donor's estate.

Most estates are not subject to federal estate taxes; however, both Oregon and Washington have minimal exemptions that can result in state taxes on even small estates. Charitable bequests can shield heirs from estate taxes.

While the most common way to give to charity is through a bequest in a will or living trust, certain assets can be directly donated to charity at death without a will. These are called non-probate gifts because they do not involve a will or living trust.

Arranging for non-probate gifts to be made upon death is even easier than setting up bequests because documentation is simpler and less formal than a will or living trust agreement. Here are some options:

IRA and qualified retirement plan designations

A person can designate a charity as a beneficiary to receive some or all of what remains in an IRA or a qualified retirement plan, such as 401(k) or 403(b) plan. To do so, the donor completes a beneficiary designation form and returns it to the custodian of the retirement account. Typically the donor will receive estate tax benefits for making charitable contributions with retirement assets.

Joy is in the air

Spring 2022 is alive – not only with blossoming flowers and baby animals – but with a renewed sense of joy and optimism.

After two years of living in a pandemic, life is beginning to return to normal. Businesses are re-opening, masks are coming off and, best of all, we have more freedom to meet in person with family, friends and colleagues.

Throughout the pandemic, our donors have never wavered in their support for Providence. Your gifts enabled us to continue caring for our communities, bringing health care and needed support to all, especially those who are poor and vulnerable.

Thank you for your ongoing generosity. Each gift has truly made a difference in the lives of those we serve.

My new associate, Megan Crane, and I are available for in-person meetings as well as phone and email conversations. It would be a privilege to talk with you, answer your questions and explain how you could benefit financially by making a charitable gift. Please connect with us and let us know how we can assist you.

Wishing you a joyful spring,

Lon Dufek, CPA, CFP
Senior manager
Office of Gift Planning
Providence Foundations
of Oregon
503-595-3045
lon.dufek@providence.org



Tax-deferred retirement plans are among the most highly taxed estate assets. Heirs can be hit with taxes totaling 70% or more, meaning they receive only 25 to 30 cents on every dollar. This tax rate often makes it advantageous to fund charitable bequests using retirement plans. Congress designed retirement plans to be just that – retirement plans, not inheritance plans.

Insurance product beneficiary designations

A person can name a charity as beneficiary of a life insurance policy or commercial annuity contract simply by completing a beneficiary designation form and returning it to the insurance company. The charity will receive some or all of the death benefit or remaining value associated with the policy or the commercial annuity.

“Pay on death” and “transfer on death” accounts

“Pay on death” accounts instruct a bank to pay a charity some or all of what remains in an account upon the donor’s death. A “transfer on death” account gives the same instruction to a brokerage firm regarding investments held at the time of death.

Charitable fund designations

Donor-advised funds (DAFs) are sponsored by financial firms, such as Fidelity Charitable, Vanguard Charitable and Schwab Charitable, to help people make annual charitable gifts. A DAF owner can make a final gift by designating a charity to receive a lump-sum grant from the DAF balance at the time of death.

In summary

Various assets can be used for charitable giving upon death. IRA beneficiary designations and other non-probate gifts are easy to arrange; however, you should consult with a professional advisor to determine which plan is most beneficial for you and your overall estate.

You can learn more at [ProvidenceFoundations.org/giftplanning](https://www.providencefoundations.org/giftplanning). If you’d like a free consultation, Lon Dufek and Megan Crane would welcome your call.

Protect your loved ones by making a will

All adults should have a will. If you own anything – a house, vehicle, family heirlooms, stocks – or if you have dependents, such as young children, a will protects your loved ones and your property if you die.



Even if you have a will, it may be time to update it. Typically wills should be refreshed following major milestones, such as the birth of a child, a marriage or divorce, retirement, a move to a different state, or when you have new charitable interests.

An up-to-date will enables you to:

- Decide who will receive and manage your assets
- Name a guardian for minor children or dependent adults
- Prevent disputes among family members
- Reduce the taxes that may be due when you die
- Make gifts to your favorite charities

A simple will is not expensive to make. You can find reputable resources online. For a more complex estate, you will need an attorney's help, but you can ask for a cost estimate before hiring one to prepare your will.

If you wish to name a charity, such as Providence, in your will, please contact the charity and inform them now. Depending on the type of gift you make, you could earn significant income and tax benefits for the rest of your life.

For more information, please contact [Lon Dufek](#) or [Megan Crane](#) at the Providence Office of Planned Giving.

Meet Megan Crane

Our Office of Gift Planning is growing! Please welcome Megan Crane MNM, to the Providence Foundations of Oregon. Megan began her role as regional manager of Planned Giving in September 2021.



With a master's degree in nonprofit management from the University of Oregon and broad experience in fundraising, Megan is a professional in philanthropic work. She works closely with Lon Dufek and our foundations in Oregon to support donors interested in planned giving options.

Megan most recently served as associate director of development for Oregon Health & Science

University Foundation. Prior to that, she led major giving and annual giving functions for Pacific University and the University of Oregon.

As a fourth generation Oregonian, Megan is proud to play a part in improving the health of our local communities. With family in every corner of the state, she knows first-hand how critical it is to provide high-quality medical services for all of Oregon's residents.

She looks forward to meeting you, talking with you about innovative methods of giving, and helping you invest in your area of passion.

If you have questions about estate planning or how making a charitable gift could benefit you, please contact Megan via email or phone: megan.crane@providence.org • 503-559-9905

Win big when you donate real estate.



Real estate values are soaring! Now is an excellent time to sell investment properties or downsize your home.

If you'd like to sell but are worried about capital gains tax, consider donating the property to charity, such as Providence.

When you donate appreciated real estate, you can:

- Avoid capital gains tax
- Reduce your income tax
- Gain lifetime income

Interested? Call or email us to learn more:

- Lon.Dufek@providence.org
503-595-3045
- Megan.Crane@providence.org
503-559-9905



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For information or to remove your name from this mailing list, please contact:

**Providence Foundations of Oregon
Office of Gift Planning**

P.O. Box 3375

Portland, OR 97208

Email: lon.dufek@providence.org

You are receiving this publication because in some way you have had a connection with one of our 10 Providence foundations in Oregon:

Providence Benedictine Nursing Center Foundation

Providence Children's Health Foundation

Providence Community Health Foundation (Southern Oregon)

Providence Hood River Memorial Hospital Foundation

Providence Milwaukie Foundation

Providence Newberg Health Foundation

Providence Portland Medical Foundation

Providence St. Vincent Medical Foundation

Providence Seaside Hospital Foundation

Providence Willamette Falls Medical Foundation

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OUR MISSION

As expressions of God's healing love, witnessed through the ministry of Jesus, we are steadfast in serving all, especially those who are poor and vulnerable.

OUR VALUES

Compassion, Dignity, Justice,
Excellence, Integrity

ProvidenceFoundations.org/giftplanning

