



The Guardian

Estate and Gift Planning Ideas • Fall 2010

“I Trust and Believe in Children’s National”



Martha holding her firstborn daughter

As the mother of four and the grandmother of eight, Martha H. values family and loves children. “Though I have had many roles in my life, I am most proud of being a parent and a grandparent.”

Martha raised a family while working as a special education teacher. After her children went off to college, she obtained another degree and began a second career in social work. She and her husband, Michael, have been married for 45 years.

“Like many others, my first connection to Children’s National was through my children.” After her oldest daughter’s bout with pneumonia and subsequent loss of her voice, they met with a speech therapist at Children’s National. “My daughter got her voice back on the first appointment—I was sold on the great work of the hospital from that moment on!” In addition to the exemplary care provided, Martha also likes that Children’s National provides these services regardless of a patient’s ability to pay, making “a kinder, more cared-for community. All babies deserve a healthy childhood.”

Martha and Michael began making annual gifts after seeing a column about Children’s National in *The Washington Post*. After a recent tour of the new neonatal ICU “where every detail was designed for the comfort of the patients, parents, and staff,” Martha was inspired to do more. She established a charitable gift annuity using appreciated securities and will receive payments twice a year for the remainder of her life as well as multiple tax advantages. “Though I had no experience with this kind of charitable gift, I found working with the staff easy and enjoyable.”

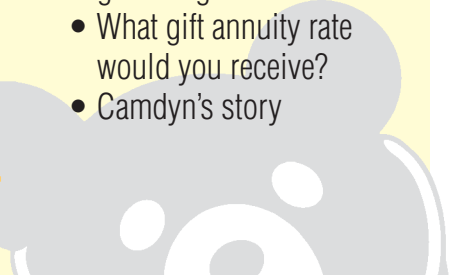
Martha leads a study group about grandparenting, participates in a memoirs group, and is active in her neighborhood. With all of her activities and her large family, she makes it a priority to stay connected to Children’s National. “I trust and believe in Children’s National. This is where I want to put my money.”

In This Issue...

- Unlock income, make a gift using securities
- What gift annuity rate would you receive?
- Camdyn’s story

“Though I had no experience with this kind of charitable gift, I found working with the staff easy and enjoyable.”

—Martha H., *grateful parent*



The Guardian Society

The Guardian Society recognizes the very special people who have included Children’s Hospital Foundation in their wills or other estate gifts. Through their forethought and generosity, they ensure world-class care, advocacy, research, and education at Children’s National through a lasting legacy.

To learn more about making a legacy gift to Children’s National and how to become a member of The Guardian Society, please call toll free at (866) 458-0686 or email us at guardiansoc@cnmc.org. **Our Tax ID number is 52-1640402.**

Contact Rita S. Corwin, Director of Gift Planning, at (301) 565-8524 or rcorwin@cnmc.org.

Taking Stock...and Giving It

If you enjoy making charitable gifts and have stocks, bonds, mutual funds or other appropriate securities that are worth more than you paid for them, you may be interested in a special opportunity.

Benefits of Giving Securities

Gifts made with assets that have been owned for more than one year are generally deductible for income tax purposes at their full current value. In other words, you are allowed to deduct not only what you paid for the property but also any gain in value of the investment.

As a result, you can eliminate federal and perhaps state income tax up to 30% of your adjusted gross income. You can also bypass capital gains tax that would otherwise be due.



Therapeutic play helps Blanca, age 7, prepare for her medical procedure.

For instance, George and Diane normally make charitable gifts in the form of cash. This year they decide instead to give stock worth \$10,000 that has increased in value from \$4,000 since they have owned it. They are able to deduct the full value of the stock while completely bypassing capital gains tax.

Because they choose to give stock to Children’s National, George and Diane save capital

Continued on next page

Assuming 35% Income Tax Bracket	Option A Give \$10,000 in Cash	Option B Sell Securities & Give Cash	Option C Give Securities Outright
Gift value	\$10,000	\$10,000	\$10,000
Ordinary income tax savings	\$3,500	\$3,500	\$3,500
Capital gains tax saved or paid, assuming 15% tax rate	N/A	\$900 PAID	\$900 SAVED
Net tax savings	\$3,500	\$2,600	\$4,400

“I donated a variety of securities that I owned for many years which weren’t yielding very much in exchange for fixed income payments for my lifetime.”

—Martha H.

gains *and* income taxes, making the cost of their gift of securities less than a gift made with cash. See the chart on page 2 for an illustration of the tax consequences of George and Diane's various alternatives.

Unlock Income from Securities

Securities that have increased in value but yield less income than desired are an attractive asset to fund a charitable gift annuity.

By using these assets you can enjoy multiple tax benefits as well as additional income. You are entitled to an immediate tax deduction equal to the charitable gift portion. You do not have to pay capital gains tax on a portion of the increase in value, and the tax on the remainder is spread out over a number of years as you receive payments.

For example, Elizabeth, age 75, owns stock worth \$30,000 that cost just \$8,000 when she bought it some 30 years ago. It currently pays dividends of just 1%, or \$300 per year. She is pleased to learn that she can receive payments of 6.4% of the value of the stock from a Children's National gift annuity.

Multiple Tax Benefits

Her income increased to \$1,920 per year, part of which will be received tax-free for a period of years. The charitable gift portion of her annuity entitles her to an income tax deduction of nearly \$13,000.

In addition, she is pleased to learn that the securities will not be part of her estate for tax and probate purposes.

Rates and tax benefits for gift annuities generally increase with age, so a series of gift annuities funded over time can be an excellent way to leave a lasting legacy while creating a source of dependable income.

More Information

For more information on how you can make a gift of securities, simply return the enclosed card or contact Rita S. Corwin at (301) 565-8524 or rcorwin@cnmc.org. You may also visit our website www.childrensnational.org/giftplanning.



Ms. Catherine Gaines has been a volunteer at Children's National for more than 25 years.

Gift Annuity Payment Rates			
Selected Rates for One Person		Selected Rates for Two Persons of the Same Age	
Age	Rate	Ages	Rate
90+	9.5%	90/90	8.3%
85	8.1	85/85	7.1
80	7.2	80/80	6.3
75	6.4	75/75	5.7
70	5.8	70/70	5.4

For illustrative purposes only. Please contact us for current benefits and rates for other ages.

Did You Know...

Last year 445 active volunteers donated more than 37,000 hours to help create positive experiences for young patients and their families.

The purpose of this publication is to provide general gift, estate, and financial planning information. It is not intended as legal, accounting, or other professional advice. For assistance in planning charitable gifts with tax and other financial implications, the services of appropriate advisors should be obtained. Consult an attorney for advice if your plans require revision of a will or other legal document. Deductions vary based on applicable federal discount rates, which can change on a monthly basis. Some opportunities may not be available in all states. ©MMX RFSCO, Inc. All Rights Reserved. NFXX-10

**Children's National
Medical Center**

111 Michigan Avenue, NW
Washington, DC 20010

**Children's Hospital
Foundation**

801 Roeder Road, Suite 300
Silver Spring, MD 20910
[www.childrensnational.org/
giftplanning](http://www.childrensnational.org/giftplanning)

Children's Hospital Foundation, a 501(c)(3) organization, serves as our fundraising arm. Individual donors, corporations, and community organizations help Children's National doctors, nurses, and researchers transform children's health in the Washington area, across the country, and around the world.



Rita S. Corwin
Director, Gift Planning
Children's Hospital Foundation
801 Roeder Road, Suite 300
Silver Spring, MD 20910
(301) 565-8524
Toll Free: (866) 458-0686
rcorwin@cnmc.org

Camdyn's Story

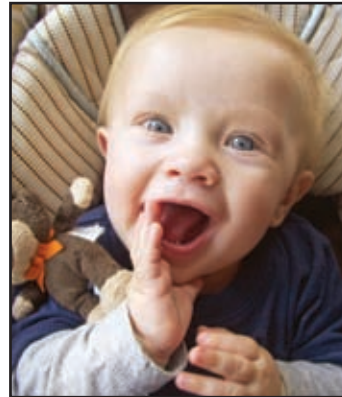
"I remember how thrilled my husband and I were, going to my first ultrasound to 'meet' our baby for the first time. Our joy soon turned to distress when the doctor told us our son's heart wasn't developing properly. He referred us to a Children's National specialist for a fetal echocardiogram.

"The next few days were difficult... we didn't know what to expect. But Dr. Mary Donofrio was wonderful. She explained that our son had a heart defect called tetralogy of Fallot. She drew pictures to help us understand and answered all our questions. She had such a positive attitude that she put us at ease.

"Camdyn was born March 2, 2009. He seemed to be a perfectly normal baby boy, but we knew that very soon he would have to have open heart surgery.

"When the time came for his operation, we were reluctant to let Camdyn go,

but there was no turning back. We kissed him and gave him to his surgeon, Dr. Richard Jonas.



"When the operation was over, Dr. Jonas explained how the procedure went and told us that Camdyn did great. His recovery was truly miraculous. We can never give enough thanks to the doctors, nurses, and techs at Children's National. They were all so professional, compassionate, and kind.

"Camdyn is now 15 months old and progressing normally. This experience has taught us that life is truly precious and we must live every minute to the fullest.

"Camdyn will have a second operation to repair his pulmonary stenosis, but we know he will be in great hands at Children's National."

—Camdyn's mom, Erin

Children's National Medical Center Receives First NIH Clinical and Translational Science Award Given to a Children's Hospital

Children's National Medical Center, in partnership with The George Washington University Medical Center, has received a prestigious Clinical and Translational Science Award (CTSA) from the National Center for Research Resources of the National Institutes of Health.

This award, which totals \$20 million over five years, is the first CTSA given directly to a children's hospital. The Clinical and Translational Science Institute at Children's National will now join the nationally renowned CTSA consortium, which is composed of institutions that work to transform the local, regional, and national environment to increase the efficiency and speed of clinical and translational research across the country.