



Grateful Parent Furthers Community Care Through Legacy Giving



Karen and Alaina (age 2½)

Karen W. was relieved when the doctors at Children's National discovered that her first daughter's heart murmur was benign. So when her second daughter, Alaina, also needed to go to Children's National because of a heart murmur, she wasn't prepared for the news that would come.

"Alaina's heart sounded like a washing machine," Karen says. "Dr. Craig Sable told me that her heart had a very large hole and she would need surgery—I was shocked." At just 3 years old, Alaina underwent surgery to correct her ventricular septal defect.

The surgery was a complete success, and Alaina, now a freshman at Wesleyan University, has gone on to live a healthy and active life, playing ice hockey and rowing crew in high school and enjoying hiking, camping, and swimming.

Like many parents of former patients, Karen was extremely grateful for the care her daughter received and began supporting Children's National by making an annual contribution to the hospital's cardiology programs. A few years ago, she learned about the hospital's mobile health program at the Diana L. and Stephen A. Goldberg Center for Community Pediatric Health, a center whose mission strongly resonated with her.

"Our experience with Alaina at Children's National was more than we could have hoped for," Karen says. "From the diagnosis to surgery and the follow-ups, we received incredible care. But there are children here in the nation's capital who don't have access to the care they need and deserve, and that's why supporting the Goldberg Center and its programs became my focus."

Karen supports the community health programs at Children's National through a charitable trust established by her grandparents. A charitable trust allows donors to extend their giving beyond their lifetime and have an impact for generations. Karen hopes the funds she provides through the trust will allow Children's National doctors and nurses to extend their care even further.

"The important thing is these disadvantaged kids have an experience with a physician that is exceptional," says Karen.

"They're going to be treated with respect and dignity; they're going to be treated special; and that's the kind of care all children deserve."

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Ways to Make the Most of a Gift

Every gift we receive furthers our mission to help kids grow up stronger. The manner in which you support the children we serve can have a significant effect on your personal planning, too. Planning before you give not only multiplies the impact you can have on the children and families we serve at Children's National, it can also provide you with additional benefits.

Understanding the tax benefits of different gifts is an important part of gift planning. By working with us and your financial planner, you can find the type of gift that works best for your philanthropic and long-term financial goals. For example, gifts of appreciated stock, retirement assets, and the IRA charitable rollover are all great ways to make the most of your gift to Children's National.

Appreciated Stock: A Double Tax Benefit

A gift of appreciated stock is a favorite option among our donors. The reason? When appreciated stock is held for more than one year and then given to Children's National, there is a double tax benefit:

- The gift qualifies for an itemized deduction for the full amount of the stock's market value on the date the gift was made.

- The gift does not incur capital gains tax that would otherwise be due if you sold the stock first.

Example: Marta purchased stock 12 years ago for \$5,000. The stock is now worth \$25,000. If she gives the stock to Children's National, her gift qualifies for a charitable deduction of \$25,000—the full value of the stock. In addition, Marta avoids capital gains tax on the \$20,000 gain in the stock's value.

This giving technique often appeals to donors who want to re-balance a stock portfolio.

Retirement Assets: Taxes are Part of the Equation

The combination of tax-free deposits and deferred taxation of earnings maximizes the growth potential of retirement assets, but income taxes nonetheless remain a part of the equation. The tax bite comes when funds are withdrawn and you must pay income taxes on previously untaxed contributions and growth. Furthermore, when you leave retirement assets to loved ones, these taxes still apply—heirs must pay income taxes on the retirement assets when they are received.

Because Children's National is a qualified charity, you can name us as a beneficiary of your retirement plan and no tax is due on the remaining retirement assets, meaning the full amount directly supports our work!

The IRA Charitable Rollover

If you own an IRA, you must take required minimum distributions (RMDs) from the account beginning at age 70½ and pay income tax on those distributions. A charitable alternative is to ask your IRA custodian to make a direct transfer of funds from your IRA to Children's National (you cannot personally receive the funds to receive this tax benefit). This transfer counts toward your RMD, *and* no tax is due!

Transfers totaling up to \$100,000 per year, per person qualify for this favorable tax treatment, and you can make multiple gifts throughout the year. In December 2015, the IRA Charitable Rollover became a permanent tax law, ensuring that this option remains year after year.

The Power of Planning

It is our pleasure to work with you and your advisors to help you make the most of your planning and your charitable giving. Together, we can identify gift options that meet your goals, shape your legacy, and provide enduring support for Children's National.

Please contact us if we can answer questions or help you in any way, or return the enclosed card to request our free planning guide, **Essentials for Taxpayers**. Thank you for your thoughtfulness and generosity—your gifts are life changing for the children and families here at Children's National.



Retirement Planning Tips

If you are currently in the working and saving mode, Retirement Planning 101 calls for fully funding your IRA and/or other employer-sponsored retirement plan by making the maximum allowable contributions. If you are age 50 or older, catch-up provisions allow you to contribute an additional

- \$1,000 to your IRA or
- \$6,000 to your 401(k) plan.

Another way to provide income during retirement is through a **charitable gift annuity**—a gift plan that pays a fixed income for life. Contact us for details about this unique way to give, qualify for a tax deduction, and receive income during retirement.

Xochitl's Story

When Xochitl was a toddler, her parents feared that she may never walk.

But step by step, Xochitl, now 9, has beaten the odds, and on Oct. 1 she completed her second Race for Every Child 5K. Yet, without the doctors at Children's National, these steps might not have been possible.

Xochitl has spastic diplegia cerebral palsy, a neurological disorder that affects muscle control and coordination in her legs. When she was just 3 years old, Children's National doctors performed a spinal surgery that could possibly allow her to walk. At the time, she was the youngest person to ever receive this surgery, but Xochitl's doctors and family were confident that she could handle the surgery and recovery, which required her to lie still and facedown for 48 hours.

Today, she walks with the help of a walker, leg braces, and her personal determination.

During Xochitl's 45-day stay at Children's National following her surgery, she met patients whose families couldn't pay for their care, and she wanted to help. So when Xochitl learned about the Race for Every Child—which raises money to ensure that all Children's National patients receive the best treatment possible, regardless of their family's ability to pay—she made sure her whole family signed up.

Her determination and optimism, the support of family and friends, and her team at Children's National have helped Xochitl thus far, and by participating in the Race for Every Child, she is helping to ensure that more children like her can receive the care they need and deserve.



Xochitl (#5105) with her family at the Race for Every Child.

Is Children's National already in your will or other estate plan, but you haven't told us? If so, please let us know now so we may welcome you to

The Guardian Society.

The Guardian Society recognizes the very special people who have included Children's National in their wills and other estate gifts. Their forethought and generosity will help to ensure world-class care, advocacy, research, and education at Children's National through a lasting legacy. To learn more about making a legacy gift, please visit our website www.childrensnational.org/planagift or contact me.

Our Tax ID is #52-1640402.



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Children's National™

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Children, Families, Sponsors, Partners Push Race for Every Child over \$1.2 Million

Not even drizzle or downpours could dampen the spirits of the nearly 5,000 attendees at the 2016 Race for Every Child. Grateful families, corporate partners, and energetic kids ran through the rain in the annual 5K and 100-yard Kid's Dash, held at Washington, D.C.'s Freedom Plaza on Oct. 1.

"It is tremendously inspiring to see current and past patients of Children's National and their families, friends, and neighbors come together to build healthier, stronger futures for all kids," said Dr. Kurt Newman, president and CEO of Children's National. In total, the event has raised more than \$1.28 million to support research and care at Children's National.

More than 500 children sprinted to the finish line of the 100-yard Kid's Dash with the promise of shiny medals, Dr. Bear hugs, superhero high-fives, and accolades from family and supporters alike. Campbell Smith Jr., age 3, was one of those excited finishers. When he was only one week old, he underwent open heart surgery at Children's National. Now, he's healthy and thriving, and his parents, Grace and Campbell, regularly give back to Children's National.

"The Race for Every Child is one of our favorite events because it's a joyful celebration of children's health," said the Smiths, the co-chairs for the 2016 event. "Children's National has had an enormous impact on our family's life, and we credit the doctors there for giving our son the hope of a healthy future. But we're not alone. Children's National touches the lives of nearly every child in our community."