

## **A win-win: charitable gift annuity**

By Bob d'Entremont

George and Nona Osko were a typical Salem couple, raising a family, earning a living and saving for retirement. George and his brother Bill were district managers for Farmers' Insurance in Salem for 35 years. Nona served on the staff of St. Mark Lutheran Church.

“Life has been very good to us and we have been glad to call Salem our home and know the benefits of the community,” said Nona.

Twenty years ago, they were discussing what to do with stock they owned that had appreciated almost \$60 a share when the company was sold. While George was waiting to see his doctor, he read an article about charitable gift annuities (CGA), and told Nona they should assist charities with their appreciated stock, while reducing capital gains taxes and providing lifelong income. The rate you receive once you establish your gift annuity is locked in for your lifetime, meaning you are able to count on your income never changing and you can plan future income needs.

The Oskos established CGAs with their two favorite local charities and today, 18 years later, Nona continues to receive the same annual income they received when they established the annuities.

“We were always happy with our decision to establish our CGA with the Salem Hospital Foundation and share with others. We were able to witness the wonderful things accomplished by the foundation.”

When George passed away in 2006, Nona once more began to think about their estate and how she could provide not only for her family, which had grown to include 17 great grand children but also include their favorite charities. She realized there was one part of her estate that would not assist her family very much, and that was George's IRA (see chart below, this illustration has maximum

taxes applied). So Nona decided that two charities, one being the Salem Hospital Foundation, would be the beneficiaries of the IRA's remainder interest.

\$100,000 IRA BEQUEST TO HEIRS VERSUS CHARITY

TYPE OF GIFT	\$100K IRA TO HEIRS	\$100K IRA TO SHF
FEDERAL Estate TAX	(45,000)	0
Net subject fed Income Tax	\$55,000	0
Federal Income Tax	(\$15,400)	0
Net to IRA Beneficiary	\$39,600	\$100,00

According to Nona, she is sure George would approve of her decision to leave the remainder of his IRA to continue what he wanted to do in 1988.

“It was his hope and plan that others might benefit from the blessings that were ours, and I agree,” said Nona.

As with all decisions of this nature we recommend that you consult with your attorney, accountant or financial advisor prior to a final decision.

*For additional information on how you to help the Salem Hospital Foundation through your estate plan contact Bob d'Entremont at 503-561-5340 or e - mail [bob.d'entremont@salemhospital.org](mailto:bob.d'entremont@salemhospital.org).*