



INFAITH INSIGHTS

July 2017

Appreciated Securities a Timely Reason for Client Meetings

If you are looking for a straightforward reason to meet with clients this summer, consider appreciated securities. Strong investment markets have presented considerable gains. Yet some clients may be unaware of the tax advantages of giving long-term appreciated securities to charity versus holding securities or selling them.

A common refrain among InFaith donors is gratitude in discovering that their gift of stock can have a more significant impact when they bypass capital gains. Furthermore, they can claim an immediate tax deduction for gifts to their donor advised fund and make grants over time to the charities and churches that mean the most to them. Securities, whether they're stocks or mutual funds, are often used to make outright gifts, or create a charitable gift annuity or charitable remainder trust at InFaith. Securities can also be given to cover premium payments on life insurance given to InFaith.

Net Unrealized Appreciation of Employer Stock

Thrivent Wealth Advisor Don Goldsmith recently partnered with InFaith Community Foundation to help a new client accomplish his charitable goals using employer stock. Don recommended his client put his charitable goals into action using the net unrealized appreciation strategy (NUA). The NUA strategy is a tax deferral strategy that can be used for people who participate in a 401(k), or other qualified plan, with employer stock. The employee can take an in-kind distribution of the employer stock into a non-qualified account and the remaining amount can be rolled over into an IRA. When the distribution occurs, the individual pays ordinary income tax only on the cost basis in the employer stock and no tax on the increase in value over the cost basis (the NUA) until the individual sells the stock at a future date (at capital gain rates instead of ordinary income rates). By combining the NUA strategy with a donor advised fund, the individual can make a charitable gift to offset taxes owed from the in-kind distribution.

Don's client gave employer stock directly to an InFaith donor advised fund to support his favorite charities. "My client won't have to bother with future stock transactions and can simply go online to make grants to charities," Don says. It's also good for benefiting charities that aren't equipped to accept stock gifts because they don't have a brokerage account. Moreover, the donor advised fund will likely grow over time, allowing Don's client to give even more to his selected charities. Read more from Don on gifts of appreciated securities with charitable intent on the "For Advisors" news section of our website, or access the page directly [here](#).

Identify Clients with Appreciated Securities

You probably have clients with long-term appreciated stock. You can also use Wealthescape to find which of your Thrivent Financial members have appreciated securities. Introduce the concept using our one-pager on the value of gifting long-term appreciated securities. [Download a PDF at our website](#).

Our gift planners are ready to discuss the possibilities with you at 800-365-4172.

InFaith Community Foundation is a national charity with a mission to serve donors, spread joy and change lives. Through InFaith, gifts are tailored to each donor's charitable interests and financial circumstances. InFaith Community Foundation is a proven steward of these gifts, earning consistently high ratings from Charitable Navigator for sound fiscal management and GuideStar for transparency and commitment to excellence. Together with donors, InFaith grants millions of dollars annually to charities serving local, national and global communities.

inFaithFound.org | p 800-365-4172 | 625 Fourth Avenue South Suite 1500, Minneapolis, Minnesota 55415

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RESOURCES

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Did you miss our June 8 webinar? The recording is on [our website](#), "**Charitable Planning in Your Practice.**"

Get to know your [InFaith Gift Planners](#)