

# A LEGACY OF GIVING



*Legacy of the Heart*

A program of the Miller-Dwan Foundation.

# HOW DO YOU MAKE A CHANGE?

Generosity formed the Miller-Dwan Foundation, and generosity ensures its future success. We give because we were entrusted to give—we were the beneficiary of foresight, and are now the benefactor of hope. Hope we can share by responding quickly and creatively to the changing healthcare needs of our region. Hope we give by easing the medical struggles of those who live here.



We were formed by the uncommon gifts of a few to create a perpetual endowment for the good of many. We invite you to join our efforts—to make a change in the lives of those who live here.

## *Planned Giving*

Planned Giving helps you make gifts of a magnitude you may never have thought possible.



Most individuals think of estate planning as an action to be completed in the future. However, an active approach now can allow you to choose where your funds will be directed—to those you love, your family, and favorite charities, including the Miller-Dwan Foundation.

Estate gifts—wills, trusts, annuities and insurance, are popular ways to make a future gift commitment. These often provide attractive tax benefits for you, and some have life income provisions. Discussion of these options follows.



## Bequests

The simplest way of making a planned gift to the Miller-Dwan Foundation from your estate is a gift in your will or trust. The gift can take many forms: cash, stocks, personal property, or real estate (permanent home or vacation residence). An important aspect of the bequest is that it allows you the satisfaction of ensuring the perpetuity of a gift for the good work you believe in. The suggested wording to use in a bequest to the Miller-Dwan Foundation is:

*“ I hereby give, devise, and bequeath to the Miller-Dwan Foundation, a Minnesota charitable corporation located in Duluth, Minnesota, the sum of \$\_\_\_\_\_ (or \_\_\_\_\_ percent of the residue of my estate—or other real or personal property appropriately described) to be used by the Foundation’s Board of Trustees as it shall deem advisable to best promote the Foundation’s goals and mission.”*

You can also designate a specific program or purpose in the language of your will.



*Dr. Freeman performs back surgery utilizing a minimally invasive laser procedure. Such advances in surgical technologies ensure better results for area residents. The Foundation provides assistance which helps make new technologies available.*

## *Insurance Policies*

A gift of a life insurance policy is an excellent way to give, while receiving an income tax deduction and estate tax benefits. You may purchase a new policy, or give a policy you already own, and name the Miller-Dwan Foundation as

a beneficiary or designate the dividends as a gift. Giving life insurance is an easy way of supporting the mission of the Miller-Dwan Foundation.



- Naming the Miller-Dwan Foundation owner and beneficiary of a new policy allows you to determine a certain dollar amount for the Miller-Dwan Foundation while, at the same time, providing an annual tax deduction for the premiums paid.
- These insurance gifts are also removed from your estate, thus avoiding probate problems and costs in assigning the gift to the Miller-Dwan Foundation.



## *Charitable Gift Annuity*

A Charitable Gift Annuity is a combination of a gift to the Foundation and an annuity for you. You can transfer money or securities to the Miller-Dwan Foundation and receive a guaranteed fixed income for life (or two lives). The combination of partially tax-free income and the initial charitable deduction makes this arrangement quite attractive. The minimum gift to set up a Charitable Gift Annuity is \$10,000.

- The rate of return depends on your age (and if applicable, the age of the second annuitant). The older you are, the higher the rate of return.
- A portion of each income payment may be a tax-free return of principal.
- In the year of creating the Charitable Gift Annuity, you will receive an income tax charitable deduction, which can be carried forward for an additional five years.
- There is partial avoidance of capital gains taxes if the annuity is funded with appreciated stock.
- You are assured of receiving the same annual income from the Miller-Dwan Foundation no matter what happens to the stock market or interest rates.
- A *deferred gift annuity* will provide tax savings and annuity payments that will start at a future time. This is advantageous to individuals who don't need the income now and want a current charitable tax deduction.



*The Foundation supports Chemical dependency program focused on the special needs of teenagers, adults and the geriatric population—helping people develop healthier ways of living.*

## *Pooled Income Fund*

A Pooled Income Fund operates much like an open-ended mutual fund. Your gift to the Miller-Dwan Foundation Pooled Income Fund is commingled with the gifts of other donors, the sum total of which is invested by the Foundation.



- The assets are invested along with the gifts of many other donors to provide you with the best possible rate of return. The fund is administered and managed by the State Street Bank and Trust Company of Boston and the Association for Health Care Philanthropy, the co-trustees of the fund.
- Income (minus expenses) is paid out on a quarterly basis according to a pro rata share of the overall assets of the fund.
- Gifts to the fund generate an immediate tax deduction, calculated according to the average rate of return generated by the fund and the age(s) of the donor and his/her beneficiary(ies).
- The deduction may be carried forward for up to five years.
- Gifts may be made in cash or marketable securities.
- The fund has no tax liability for capital gains. Therefore, gifts of highly appreciated stock avoid capital gains tax.
- The minimum initial gift is \$5,000. Additional gifts, in minimum increments of \$1,000, may be made at any time.
- This gift is ideal for even donors under age 50 to get the tax deduction and reasonable rate of return.

## *Charitable Remainder Trust*

The assets in a Charitable Remainder Trust are separately invested and managed by a trustee designated by the donor. Two types of charitable remainder trusts exist: a Unitrust and an Annuity Trust.

### Charitable Remainder Unitrust

- Upon termination of the trust, Miller-Dwan Foundation receives the assets for the charitable purpose you have designated.
- Generates life income or term-of-years income for you based on a fixed percentage of return.
- Permits an immediate tax deduction based on the percentage selected and the number and ages of the income beneficiary(ies).
- Income will fluctuate according to market conditions and investment results.
- Gifts may be made in cash, appreciated stock or real estate (to avoid capital gains tax), subject to certain restrictions.
- Additional gifts can be added to the principal annually.

### Charitable Remainder Annuity Trust

- Generates life income or term-of-years income for the donor based on a fixed dollar amount, which never changes.
- Gifts can only be made at initial transaction.

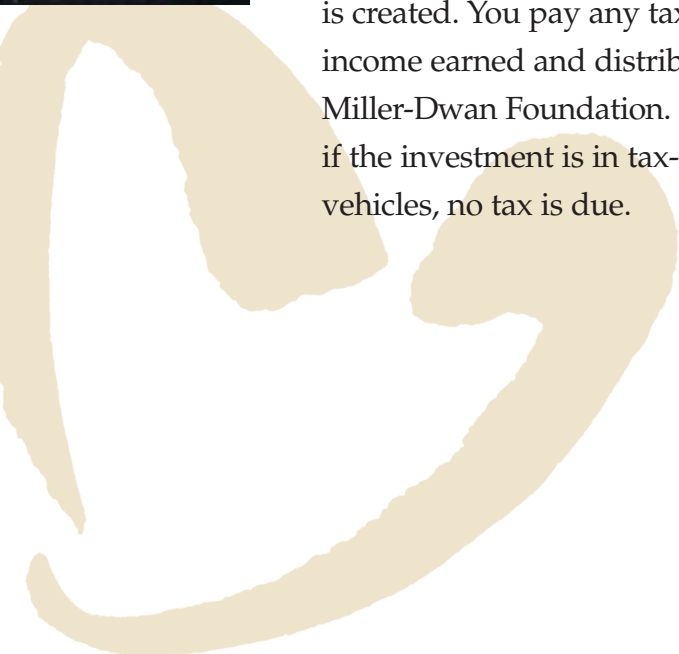


*The Miller-Dwan Spiritual Center, developed and funded by the Foundation, provides a sacred place for prayer and meditation. Innovative, meaningful projects like this are a special part of the Foundation's commitment to our communities.*

## *Charitable Lead Trust*

A Charitable Lead Trust is the opposite of a Charitable Remainder Trust, in that:

- Miller-Dwan Foundation receives income for the life of the trust (term-of-years), with the principal reverting to you or your family at the termination of the trust.
- If the principal reverts to the family, then your estate receives a gift tax deduction which, when combined with any remaining unified credit, will offset the gift tax. This is an excellent way to transfer assets to your family with reduced estate taxes.
- If the principal reverts to the donor, then the donor receives an income tax deduction in the year the plan is created. You pay any tax due on income earned and distributed to Miller-Dwan Foundation. However, if the investment is in tax-exempt vehicles, no tax is due.



## *Remainder Interest in Real Property*

A life estate gift allows you to transfer real property (your home, vacation or commercial property, or land) to the Miller-Dwan Foundation while you retain the right to live in or use the property.

- Provides you with a current and potentially substantial income tax deduction for the full fair market value, avoiding any applicable capital gains taxes.
- You retain the right to use or live in the property for the rest of your life, or the joint lives of you and your spouse.

## *Retirement Plan Assets*

Using Retirement Plan Assets to fund a gift can be a wise estate planning strategy, providing a meaningful gift to the Miller-Dwan Foundation and increased assets to your loved ones. Death benefits payable from retirement plan assets to your beneficiary may have tax consequences as high as 80 percent. It could make tax sense to name the Miller-Dwan Foundation as beneficiary of retirement assets; and bequeath other assets, not burdened with this high level of tax, to other beneficiaries. This strategy can allow some individuals to leave more to their family while giving more to the charities they care about.



# LEAVE YOUR LEGACY. SUPPORT THE MILLER-DWAN FOUNDATION.

*Change a life today.*



The reasons to give are many, but the motivation to share what you have may be very personal. When you decide to give, make sure your estate plan satisfies all of your personal goals—financial security for yourself, provisions for your loved ones and gifts for the good of humanity—all of which can be achieved by contributing to the future of the Miller-Dwan Foundation.

Join us in creating a plan that's right for you—a specific plan that can be tailored to your personal and financial goals. We'll help you find a way to give, a way to grow, and a way to leave your legacy.

*When considering a planned gift, it is important to consult with your attorney, tax advisor or an estate planning professional. They can help you decide on the form and timing of a gift that will best meet your needs and fulfill your charitable intent.*



*Give.* And become a Legacy of the Heart member.

We extend to you an invitation to be a part of the Miller-Dwan Foundation Legacy of the Heart program. You can help guarantee that the Foundation will be prepared to meet future challenges and continue its work of creating a healthier region.

We are asking you to include the Miller-Dwan Foundation in your will or estate plan. Together, we can make a change.

But how do you do it? It's simple. This brochure describes a number of ways to give, and we'll work with you and your financial advisors to find those that best meet your charitable desires while providing security for you and your family.



*Miller-Dwan  
Foundation  
"Legacy Wall".*

## *In recognition of your gift.*

As an expression of our appreciation, Legacy of the Heart members:

- are personally listed on the Legacy of the Heart wall at Miller-Dwan Medical Center;
- receive a personal memento recognizing their commitment to the Miller-Dwan Foundation;
- are honored guests at an annual recognition dinner hosted by the Miller-Dwan Foundation Board of Directors;
- are acknowledged in the annual publications as a Legacy of the Heart member;
- have the opportunity to direct future gifts to meet specific healthcare concerns.



If you wish to remain anonymous, however, your wishes will naturally be respected.

If you'd like more information on how to give, and how your gift provides for your security as well as that of our community, contact:

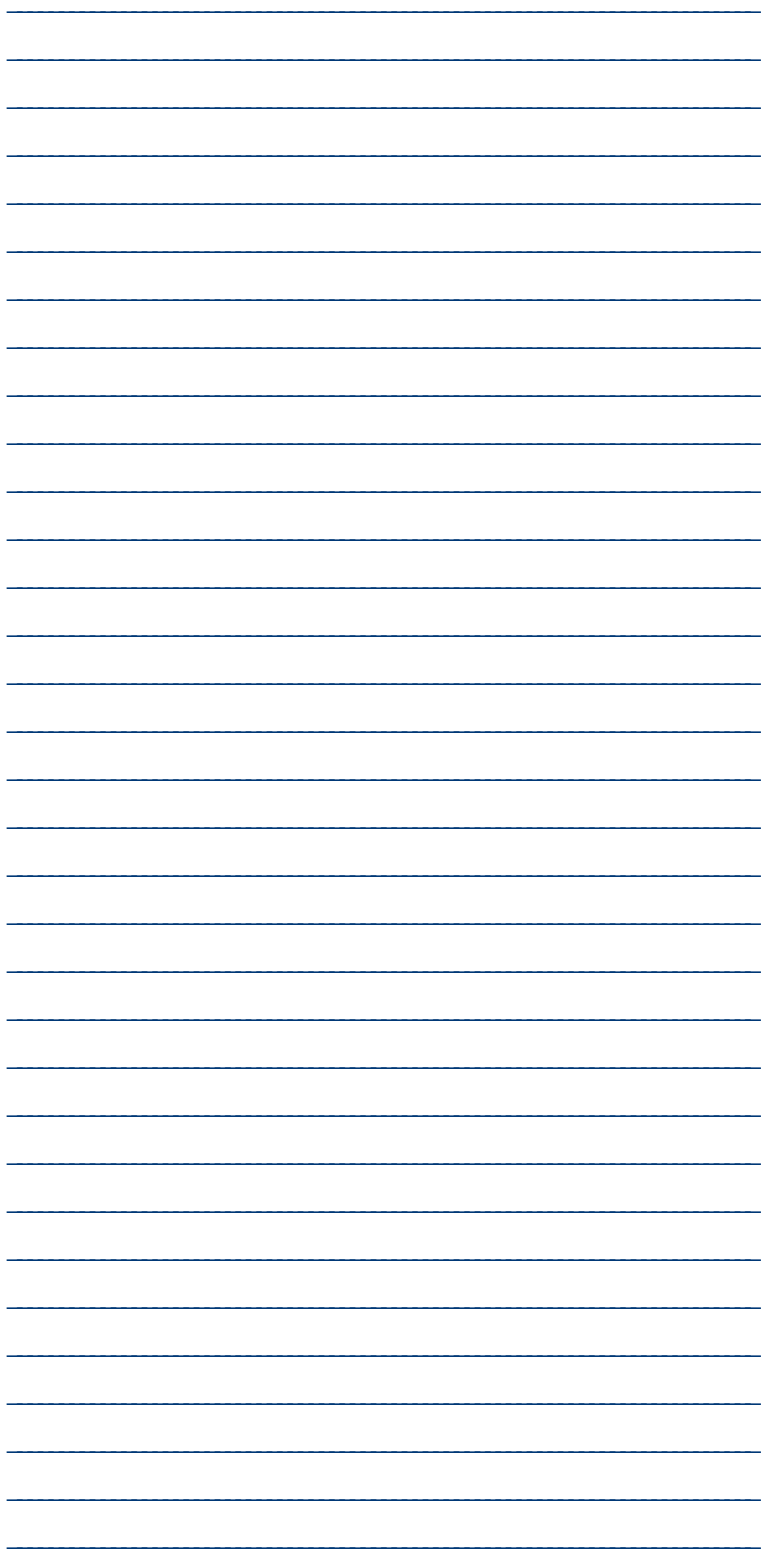
Pat Burns, Vice President, Miller-Dwan Foundation.

(218) 720-1224 or 1-800-766-8762

e-mail [pburns@mdmc.sisunet.org](mailto:pburns@mdmc.sisunet.org)

502 E 2nd St. Duluth, MN 55805-9962.







## Legacy of the Heart

### *A planned gift.*

I (we) want to leave a Legacy of the Heart, and have made a planned gift in the form of:

- \_\_\_\_\_ Bequest
- \_\_\_\_\_ Life insurance policy
- \_\_\_\_\_ Charitable gift annuity
- \_\_\_\_\_ Charitable trust
- \_\_\_\_\_ Pooled income fund
- \_\_\_\_\_ Retained life estate agreement
- \_\_\_\_\_ Retirement plan assets

- This gift is to be used by the Miller-Dwan Foundation as the Board of Directors sees fit.
- I (we) wish to have this gift designated to:

\_\_\_\_\_ (name of specific fund, program or purpose)

Name as you'd like it to appear on the Legacy of the Heart Wall:

Name (please print) : \_\_\_\_\_

Address: \_\_\_\_\_

Phone No.: \_\_\_\_\_

Signature & Date: \_\_\_\_\_

To return this pledge confidentially, please enclose it in an envelope and send it to:

Miller-Dwan Foundation  
Pat Burns, Vice President,  
502 E 2nd St. Duluth, MN 55805-9962



502 E 2ND ST

DULUTH MN 55805-9962



502 E 2nd St. Duluth, MN 55805

For more information on how you can improve the lives of others by supporting the Miller-Dwan Foundation, contact Pat Burns, Vice President, at 218-720-1224.

Toll-free, dial 1-800-766-8762 or e-mail: [pburns@mdmc.sisunet.org](mailto:pburns@mdmc.sisunet.org).