



Still Time to Contribute to Your IRA for 2014

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When it comes to planning for retirement, the more you save today, the better prepared you'll be tomorrow. That's why I wanted to remind you that there's still time to contribute to an IRA for the 2014 tax year.



The contribution deadline for 2014 is April 15, 2015. You can contribute up to \$5,500 for 2014 (\$6,500 if you were age 50 by December 31, 2014). Additionally, you can contribute to a traditional IRA, a Roth IRA, or both, as long as your total contributions do not exceed the annual limit. You may also be able to contribute to an IRA for your spouse for 2014, even if your spouse did not have any 2014 income.

Please note: A tax filing extension does not constitute an IRA contribution extension. All 2014 IRA contributions **must be made by April 15, 2015.**

If you would like to take advantage of this contribution opportunity, please do not hesitate to contact me.

Always the Season of Giving: Strategies to Consider

For many people, the holidays are a time for giving back -- but giving can be done anytime! -- whether that means donating to a favorite charity or helping out a family member financially. Before you make a donation or gift, however, it's important to choose the right strategy, paying close attention to potential tax and legal implications.

Charitable giving

You've likely given some thought to the charitable organization you'd like to benefit and the amount you plan to donate. But have you considered the

charitable giving vehicle you'll use to make your gift? Let's look briefly at some of the options:

- **Outright gifts.** Outright gifts of cash or property benefit charitable organizations by providing immediate resources. Be sure to keep your receipts or bank records to validate any income tax deductions you wish to claim. Keep in mind that you may need a professional appraisal to qualify for a tax deduction on certain noncash contributions.
- **Donor-advised funds.** A donor-advised fund is a charitable giving vehicle managed by a public charity for the purpose of distributing funds to other charities. When you contribute to a donor-advised fund, you can advise the charity on the grants it makes, as well as take advantage of possible tax deductions. Be aware, however, that there may be a minimum donation amount, and administrative fees may cut into the funds available for grants.
- **Charitable remainder trusts.** With this type of trust, the donor receives income from the trust for his or her lifetime, the lifetime of another person, or a period of up to 20 years. At the end of the specified term, the remaining trust assets are distributed to a charitable beneficiary. The greatest benefit of a charitable remainder trust is that you can take advantage of immediate tax benefits while continuing to utilize the assets, as you may deduct the present value of the charitable remainder interest. On the downside, charitable trusts tend to be complex to set up and usually require legal and administrative support.
- **Charitable gift annuities.** A charitable gift annuity is a split-interest gift made directly to a charity that provides you, your spouse, or a family member with fixed income payments for life. The charity typically ends up with about half of your donation, while you get an immediate tax deduction and some guaranteed income. Keep in mind that an annuity is a contract between you and the charity, and your return isn't guaranteed by the government.
- **Private foundations.** A private foundation is a charity established by an individual, family, or corporation. Although it offers donors a great deal of control over their gifts, a private foundation can be costly to administer, and it must adhere to a strict set of rules designed to ensure that it carries out its charitable purpose.
- **Bequests.** If you wish to give to charity posthumously, you may make bequests by way of your will, trust provisions, or beneficiary designations. Although bequests offer simplicity and are easy to set up, they are not income tax-deductible during your life.

Gifting to family members

Giving back doesn't always mean giving to charity. Gifting to family members can be just as rewarding, and it may also be an effective way to transfer wealth while reducing or avoiding taxes. Here are several common strategies for gifting to family members:

- **Making an outright cash gift.** For tax year 2014, you may gift up to \$14,000 to an individual without tax consequences. (This amount increases to \$28,000 for married couples.) If you'd like to gift more than

this amount to one person, you'll need to file IRS Form 709, the Gift Tax Return.

- **Paying college tuition or medical bills directly.** If you'd like to help out a family member by paying expenses directly to the provider, the \$14,000 limit does not apply. Plus, you're still free to give the individual a separate tax-free gift, up to \$14,000.
- **Contributing to a 529 plan.** With this strategy, you can contribute to a grandchild or other relative's college education while paring down your own estate. Contributions to 529 plans grow tax-deferred, and withdrawals for the beneficiary's education are tax-free at the federal level (and usually at the state level, too).

How can we help?

With all the options available, choosing the best way to give to charity or family members can seem overwhelming. Don't hesitate to reach out to us if you'd like to discuss various strategies.

We're happy to help you select an option that makes sense for you, your family, and your financial situation.



Our Referral Program

We "give back" through our Referral Program. When anyone refers a prospective client to us, we make a contribution to a charity specified by the person making the referral.

Charities already contributed to include:

- Andrew Bonapart Scholarship Fund
- Sierra Club
- World Wildlife Fund
- Marin Humane Society
- Pets Lifeline
- Cure Progressive Supranuclear Palsy

A sincere thank you to all who have already referred us clients.

My staff and I deeply appreciate the continuing opportunity to work with you. Please let me know if you have any questions or requests. Thank you.

Sincerely,

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