

# STEWARDSHIP SPOTLIGHT

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## FROM THE DIRECTOR



There are some conversations that really stick with you. One in particular comes to mind. I don't remember all the details, but I'll never forget the person's

remarkable spirit of humility and gratitude, accompanied by amazing generosity. Those three characteristics seem to accompany God's blessing for many people I've met.

Recently, I had a similar conversation with someone who, back in his 50s, found himself penniless and without a job. Now, 20 years later, he has made a remarkable personal, spiritual and financial recovery. Humility, gratitude and generosity are prominent characteristics in his life.

These individuals remind me of what we see in Scripture. "God opposes the proud but shows favor to the humble," (James 4:6, ESV) "...give thanks in all circumstances," (1 Thessalonians 5:18, ESV) "Rejoice in the Lord always," (Philippians 4:4, ESV) and "blessed are the poor in spirit" (Matthew 5:3, ESV).

Whether you're entering the New Year with hope or sorrow, celebration or struggle, by fostering a spirit of gratitude, humility and generosity, you'll open the door for God's blessing in your life. I am making a new effort to do so this year, and I hope you will, too.

Serving the Lord with you,



James Bakke J.D.  
Executive Director

## START THE NEW YEAR RIGHT WITH THESE 6 FINANCIAL TIPS

Now is an ideal time for financial housekeeping, to "...know the condition of your flocks, give special attention to your herds" (Proverbs 27:23, NIV).

- 1. Review the beneficiaries named on your retirement plans, annuities, insurance policies and trusts.** The beneficiaries named on these documents take precedence over names stated in your will. Have there been any recent deaths, marriages, divorces or relocations in your family? Are there any ministries you want to add as beneficiaries? Also, check the names on any medical or financial powers of attorney. Make sure all your legal documents reflect your current charitable and personal wishes.
- 2. Review your insurance policies.** Have your medical insurance out-of-pocket expenses changed for 2018? If so, adjust your household budget accordingly so you're not caught off guard. Is your life insurance payout amount still appropriate for your family's needs? If not, modify it—and make sure your family knows about the policy.
- 3. Review your living trust.** Is it properly funded? Have you acquired any significant property since you established it? If so, consider transferring it to the trust. Remember, whatever you put into your trust will bypass the probate process and transition to the next generation and the ministries close to your heart in an efficient manner.

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## GO PAPERLESS!

To receive your quarterly Stewardship Spotlight by email, send us your request (including your full name and the physical address where you currently receive this mailing) to [info@BarnabasFoundation.com](mailto:info@BarnabasFoundation.com).

## PLAN AHEAD FOR YOUR ANNUAL IRA DISTRIBUTION

If you're at least age 70 ½, you must take a required minimum distribution from your IRA. Depending on certain financial factors, though, that extra income could raise your adjusted gross income, thereby placing you in a higher tax bracket.

One way to avoid such a tax increase is to have the funds distributed directly from your IRA to a charity. That's called a qualified charitable distribution (QCD), sometimes referred to as a charitable IRA rollover gift. It won't raise your taxable income, yet it will satisfy your required minimum distribution. Two birds, one stone, so to speak.

Many people are forced to think about these things right around the distribution deadline, causing a year-end scramble. Don't get caught making important giving decisions under pressure. Start thinking now about how to handle this year's IRA distribution, and consider a QCD to advance a kingdom cause.

## ASK BARNABAS FOUNDATION

### Q: How will the new tax bill affect my charitable giving?

- A.** There are three new provisions most applicable to our clients.
1. The estate tax exclusion is raised to the point that 99 percent of Americans will no longer pay the federal estate tax, creating additional resources and opportunities to consider charitable giving in your estate plans.
  2. The standard deduction has been raised, eliminating the need for many people to worry about charitable receipts as they file their taxes. You'll receive the benefit regardless.
  3. In the past, donors were limited to deducting up to 50 percent of their adjusted gross income in any one year. The new tax bill increases that amount to 60 percent.

### Q: In light of the new tax law, what's the best asset to give?

- A.** If you are over 70 ½, make sure you consider an IRA distribution, because it reduces your taxable income; you get the tax benefit whether you itemize your deductions or not. Likewise, if you are a farmer or rancher, consider giving a commodities gift since these also reduce your taxable income. Gifts of appreciated stock or real estate continue to have significant tax savings.

**For more details on these and other provisions, call or email us for our fact sheet on the new tax law and charitable giving.**

## 6 FINANCIAL TIPS

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- 4. Monitor your investments.** Are your retirement and investment accounts well diversified for risk? Fluctuating return rates may warrant rebalancing your investment portfolio. Consider making catch-up contributions to your IRA or 401K. Also, be sure to maximize your employer's IRA matching program.
- 5. Review your estate plan.** If you don't have a will, make one right away. If you do have a will, verify your assets will be distributed in a way that still makes sense. Adjust your plan if you've lost or gained family members, sold a business or bought property. If you've become more involved in a particular ministry, consider making a tax-wise charitable gift part of your estate plan.
- 6. Get knowledgeable assistance.** As you get your "house in order," you may realize that a lot of things have changed since you last looked at your will. Barnabas Foundation planners will gladly work with you to evaluate whether your will reflects your personal and charitable goals. To learn more or schedule an appointment, email [info@BarnabasFoundation.com](mailto:info@BarnabasFoundation.com).



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