



United States Savings Bonds Gifts: An Overview

Many individuals own United States Savings Bonds – Series E, EE, H, HH or I bonds – tucked away, perhaps, in a bureau drawer or safe deposit box. Bonds are a savings tool used by millions of United States citizens – in part because of favorable tax advantages.

Advantages of estate gifts. Unfortunately, bonds may be subject to heavy federal income taxes and state and federal taxes in a person's estate. Heirs generally owe income tax whenever they cash savings bonds, and estate taxes may take an even larger slice. For example, heirs who receive \$100,000 in E or EE savings bonds from your estate may have to pay income tax on \$50,000 or more of built-up interest. Furthermore, the full \$100,000 could be subject to federal estate tax, leaving them with only a fraction of the bonds' value.

To benefit both the Church and your estate, you can provide in your will or trust that savings bonds are to be left to the Church. This will enable the savings bonds to pass to the Church without tax, and the Church, as a qualified tax-exempt organization, will also owe no tax on the bonds when liquidated.

Savings bonds in lifetime giving. Many individuals would prefer to make lifetime gifts of savings bonds to assist the Church, but United States Treasury regulations restrict bond ownership to individuals and revocable living trusts. However, you could cash in the bonds, and making a gift of the cash proceeds from redeemed savings bonds – usually upon maturity – to the Church. If you itemize your tax deductions, you could then receive a charitable tax deduction for the cash gift proceeds.

Charitable gift annuity funded with savings bonds proceeds. One way to offset tax liability when you cash savings bonds – and create a lifetime income – is to enter into a charitable gift annuity or other life income gift arrangement that will provide future support for the Church and lifetime income to you or another, plus a charitable deduction that may eliminate all taxes from cashing your bonds.

How to Proceed

If you are interested in leaving the Church savings bonds in your will or living trust, please e-mail, call or write our office.

We are pleased to advise you:



1. Our correct legal name, for use by your attorney in drafting the will or trust bequest
2. Suggested will clauses that enable you to include language making the Church a contingent beneficiary of a savings bond bequest, should your primary beneficiary die before you or disclaim part or all of a bequest

You will need to share with us:

1. A list of the number, type and amount of the savings bonds you hold
2. The value of the savings bonds you intend to leave to the Church
3. Your interest in considering funding a life income gift with savings bonds proceeds, such as a charitable gift annuity

You can contact our office at philanthropy@csps.com, by phone at 1-800-288-7155, extension 3288, or write to us at the address below. We look forward to hearing from you.

The First Church of Christ, Scientist
Philanthropy, P05-10
210 Massachusetts Avenue
Boston, MA 02115-3195 USA