

Get a Current Income Tax Deduction on Your Home!

BY RICHARD H. JOHNSON, J.D., CFRE

When you make a gift of your personal residence or farm to charity and retain a life estate for yourself (and possibly a spouse), you get an upfront charitable income tax deduction and the right to live in the home for the rest of your life and for the life of another (usually, your spouse).

As an example: Sarah and Bob Hansen are both 75 years old. They were planning to leave their home to the VNA in their wills. However, the Hansens recently sold a large block of long-term appreciated stock and will have \$60,000 in capital gains income to report this year. So, they decided to deed their home to VNA now and retain a joint life estate, which will entitle them to a charitable income tax deduction for the present value of the gift to charity. On a home with a fair market value of \$300,000, at their ages of 75 each, that would be \$157,518. Their adjusted gross income this year, including the \$60,000 of capital gain income, will be \$200,000. The IRS will allow the Hansens to use \$60,000 of their \$157,518 charitable deduction this year (30% of their adjusted gross income) which will cover their capital gains income liability. The Hansens will also be able to carry forward the remaining \$97,518 in charitable income tax deduction for up to five more years.

As the creator of a retained life estate, you irrevocably deed to VNA & Hospice Foundation your home or farm, but retain the right to live in it for the rest of your life, a term of years or a combination of the two. You may also use a vacation home to create this kind of gift.

While you retain the right to live in your property, you continue to be responsible for all routine expenses – maintenance fees, insurance, property taxes, repairs, etc. If you later decide to vacate your property, you may rent all or part of the property to someone else or sell the property in cooperation with VNA & Hospice Foundation.

When your retained life estate ends, VNA & Hospice Foundation can then use the property or the proceeds from the sale of your property for the purpose that you designate. Additionally, your estate may enjoy reduced probate costs and estate taxes while providing generous support of VNA & Hospice Foundation.

This information is provided as an educational service by the VNA & Hospice Foundation. Please consult your own tax advisor about your particular circumstances. For a free, no obligation, personal illustration of the benefits to you of a Gift of Personal Residence or Farm with Retained Life Estate, please contact Richard H. Johnson, J.D., CFRE, Gift Planning Counselor at the Foundation at 978-5574 or by e-mail at: rjohnson@vnac.com

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this newsletter:*



Fall Seminar and Reception for Friends of VNA

On Tuesday, November 10, 2009, VNA & Hospice Foundation will hold its regular semi-annual Estate Planning Seminar and Reception for friends of VNA at the Quail Valley River Club Boathouse. The topic will be “Why a Life Income Gift with a Fixed Rate Makes Sense in a Down Economy.”

Learn how you can balance your portfolio with a fixed rate life income gift that, in most cases, will actually increase your current income as well as provide you with a tax deduction, substantial tax-free income and may reduce your estate taxes as well as help charity.

The speaker will be Rick Simonetti, CPA, Senior Vice President - Wachovia Wealth Management. The program will be sponsored by Wachovia Wealth Management; Thomas C. Lee, Jr. of Gunster, Yoakley & Stewart – Attorneys at Law; Cypress Capital Group; and The Nelson Wealth Management Group – Tom Nelson and Kyle Morgan – Merrill Lynch.

Registration will be from 2:45 p.m. to 3:00 p.m., followed by the seminar presentation from 3:00 p.m. to 4:00 p.m. The cocktail reception will be held from 4:00 p.m. to 5:00 p.m. Seating is limited. So, register early by calling the Foundation office at 978-5568.

For the Love of Your Business — Preserve Its Value Through Planning



Kevin J. Grady
PNC Wealth Management
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Vero Beach, FL 32963

Business owners are some of America's great optimists. They love what they do, and that passion fuels the drive to build their businesses. However, that same drive seems to be lacking when it comes to succession planning. Although 77% of business owners included in PNC Wealth Management's fourth annual Wealth and Values Survey said they have a will, only one in three has a business succession plan.

What is a business succession plan?

It is a series of planning steps that help to ensure the continuation, transition or disposition of a business owner's interest following his or her departure from the business. The ultimate goal of succession planning is to transfer the owner's interest in the business without damaging its operations, hurting the owner's family or paying too much tax.

Evaluate Your Situation

The first step in the planning process is to consider a series of basic questions: What is your business worth? When do you want to leave/retire? If you were not there who would replace you? Then assess your family's relationship to the business: Does your family expect the business to support them after you are gone? What is "fair" when dividing the estate

among the children? Owners should discuss these and other matters with family and business associates and then seek assistance from experts to craft a plan that helps to suit their needs.

While there are countless ways to plan for the succession of a business, a few commonly used planning tools include buy-sell agreements, insurance, and trusts.

Buy-sell agreements — These legal arrangements between owners provide for the continuation of the business should an owner or partner depart. Buy-sell agreements typically specify that the owner's interest in the business will be sold, or offered for sale, at a predetermined price upon the occurrence of a "triggering event" — such as retirement, death or disability.

Insurance — A well-structured insurance policy can provide money to pay estate tax, fund buy-sell agreements or buy out a family member who is not interested in participating in the business. Moreover, insurance may provide emergency cash in the event of an unforeseen misfortune.

Trusts — These flexible planning tools can help preserve the assets of a business. The owner can decide the purpose of the trust, the amount and type of assets to place in the trust and name its beneficiaries. Irrevocable life insurance trusts, grantor retained annuity trusts, and charitable lead

trusts can give business owners important wealth transfer and tax benefits.

Early Planning Is Key

Planning for the succession of a business is a challenge that requires specialized assistance from a team of legal, tax and valuation specialists. Owners should consider putting together a succession plan as soon as possible after the business is launched and review it periodically. To learn more about how to plan for the next phase of your business, please contact Kevin Grady at 772-231-5308 or 800-841-7732.

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Nightingale Society to hold Ninth Annual Donor Appreciation Lunch

VNA & Hospice Foundation will host its 9th Annual Nightingale Society luncheon on Thursday, November 19, 2009 from 11:30 a.m. to 1:00 p.m. at the Vero Beach Hotel and Spa in the Cobalt Room. Each year, the Foundation invites donors who have advised us that they have included the VNA Foundation in their estate plans to a "thank you" lunch.

At the luncheon, James P. Newbrough, President/CEO, will give a "State of the Agency" address to inform donors about the VNA's new services and programs. RBC Bank has returned this year to be the exclusive sponsor for the second consecutive year. A door prize has also been donated for the second year in a row by the Blessings Day Spa.

Are you a secret Nightingale? If you have included VNA in your estate plans, please let us know. You qualify as a member of the VNA Foundation's Nightingale Society. We would like to thank you and invite you to join us for the luncheon on November 19th. Please contact Richard Johnson at 978-5574 or rjohnson@vnatc.com. You may remain anonymous if you wish.

Third Annual Planned Giving Committee Breakfast

On September 22, 2009, VNA Foundation held its 3rd Annual Planned Giving Committee Breakfast at the Quail Valley River Club Waterfront Dining Room. The Planned Giving Committee of 168 now consists of a 13 member Planned Giving Active Council and a 155 member Planned Giving Advisory Council (for a complete list: go to www.vnafc.com --- then "Foundation" --- then "Planned Giving for Advisors" --- then "Planned Giving Committee"). Thomas Lee, attorney with the Gunster, Yoakley & Stewart, chaired the event. Tom is also the Chairman of the Planned Giving Committee.

James Schorner, a local attorney and CPA, gave a testimonial on why he includes philanthropic planning as part of his estate planning practice. He gave examples of the tax benefits to his clients and the benefits to local charities and the community at large.

James Newbrough, President/CEO of VNA of the Treasure Coast, gave a "State of the Agency" address and spoke of such new programs and services as telehealth monitoring for patients with chronic diseases and the new Nightingale Private Duty Nursing Service acquired by VNA in 2008. Jim also alerted attendees to the possible Medicare cutbacks being considered by Congress as part of the proposed new government healthcare



plan that threatens to severely impact both hospice and home healthcare programs.

Richard Johnson informed the group about new programs on the www.vnafc.com web site, including new opportunities to compare various types of planned gifts under "Designing Charitable Gifts," "Gift Calculator" providing a one-page summary of benefits illustration; and a "Request for Illustration Form" which sends an e-mail to the Foundation requesting a complimentary 5 to 6 page detailed illustration. Richard thanked the group for their work with their clients as evidenced by the bequests received this year by the VNA Foundation.

Tom adjourned the meeting by announcing the speaker and topics for the 3-hour CE Seminar to be held on November 10, 2009 at the Quail River Club (see article below for more details).

Fall Continuing Education Seminar for Advisors

The regular semi-annual VNA Foundation seminar and Buffet Breakfast will be held on Tuesday, November 10, 2009 from 7:30 am to 11:00 am at the Quail Valley River Club Boathouse. Three-hours of CE Credits have been approved for Florida attorneys, CPAs, CFPs, CTFAs and CLU/ChFCs. The topics and speakers include: "The Benefits of a Charitable Lead Trust" by Michael Deming, J.D., CFP; "The Flexibility of the Charitable Remainder Unitrust" by Stephen Martin, J.D., LL.M., CPA, CFP; and "The Charitable Reverse Mortgage:

Sharing your Home with Charity" by Rick Simonetti, CPA.

Registration and Buffet Breakfast are from 7:30 am to 8:00 am. The seminar will be from 8:00 am to 11:00 am. To register, send your \$25 fee to VNA & Hospice Foundation, 1110 - 35th Lane, Vero Beach, FL 32960. Indicate in the check memo section "11/10/09 CE Seminar." For questions or more information, please contact Richard H. Johnson, J.D. CFRE at 978-5574 or rjohnson@vnafc.com.

Seminar sponsors include: Wachovia Wealth Management; Stewart, Evans, Stewart and Emmons, P.A. - Attorneys at Law; and Harris, Cotherman, Jones, Price and Associates - Certified Public Accountants.

New Planned Giving Web Site Programs and Tools Offered for Donors

To assist our friends and donors, VNA Foundation has incorporated a number of new programs and tools on its web site. Go to the main VNA of the Treasure Coast web site at: www.vnafc.com and go to the drop down menu under "Foundation." If you choose "Planned Giving for Donors," you can then access the new program entitled "Estate Planning Lessons." Under Estate Planning Lessons, you will find five estate planning lessons written in plain English with quizzes and valuable estate planning information on wills, trusts, taxes, etc.

If you would like to compare various gift options, select "Design Your Gifts." You may choose two or more options and then hit "Compare Options." It will give you an explanation of the benefits of each option for you to compare or you may simply call the VNA Foundation office at 978-5574 for more information.

By selecting "Gift Calculator" on the menu on the right side, you can plug in the information for a life income gift and hit "Calculate." It will give you a one-page "Summary of Benefits Illustration" that you can print out. If you would like a 5 or 6 page detailed illustration, simply call or e-mail the Foundation and we will gladly provide it to you at no expense or obligation.

If you would like more information on a variety of estate planning topics, simply click on "Free Publications" and we will e-mail you the brochures that you select. Again, if you have questions at any point along the way, please call Richard Johnson at the VNA Foundation at 978-5574 or by e-mail at: rjohnson@vnafc.com.



Reward Yourself Through a Gift to the VNA & Hospice Foundation

Age of Annuitant	Single Annuity Payment Rates
60 – 69	5.0 – 5.6%
70 – 79	5.7 – 6.9%
80 – 89	7.1 – 9.2%
90+	9.5%

This information is provided as an educational service only. Rates are subject to change. For one-life or two-lives specific rate information, contact Richard Johnson at the VNA & Hospice Foundation at 772.978.5574 or email rjohnson@vnatc.com. For advice, contact your tax advisor.

New Nightingale Members

The following are new members:

Nightingale Society

Harry L. Buck
Clark and Janet Daugherty
Paul F. Nezi
Ethel Mae Lynch
Jane Zeeler

Beacon Society

Martha G. Anthony
Kenneth H. McKnight
Alexander DeMilo
Charlotte S. Fait
Rose Gorman

Dr. Donald Gold – A Pioneer in Bringing Medical Care to Vero Beach

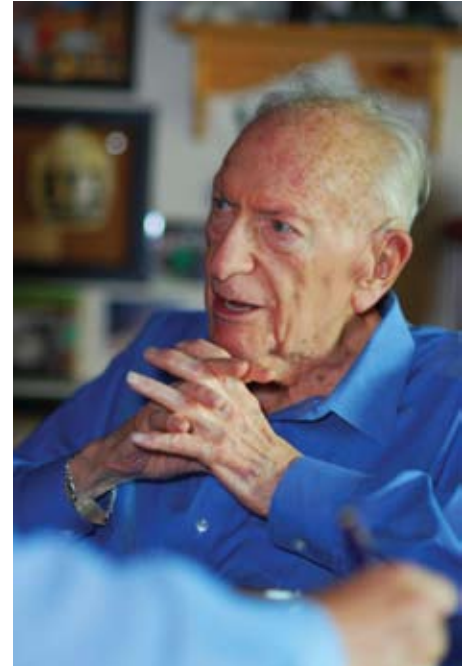
Dr. Gold was one of the first medical doctors to come to Vero Beach. He arrived in 1954, and worked with Dr. E. J. Van to open the “Doctors’ Clinic” here in 1964. The clinic became a primary provider of those patients who were unable to pay for medical services.

Prior to World War II, Dr. Gold received a degree in Biochemistry from the University of Minnesota. During WWII, he served aboard a merchant marine ship in the Pacific as an Army Lieutenant and was responsible for the ship’s potable water. After the war, he attended the University of Florida where he obtained a Master’s Degree in Civil Engineering. He then worked for the Savannah River Nuclear Plant where he tested the water entering and leaving the plant.

He met his wife, Billie, during WWII where she served as an Army nurse. While in Savannah, she convinced him that he should become a physician. So, he attended the Medical College of Georgia, which he considers one of the outstanding medical schools in America. They provided a lot of hands-on training. During his internship, he would make house calls and provide prescription medicine to patients from a footlocker that he dragged along with him.

Dr. Gold will be 91 years old next month. He has been a widower since 1985 and retired from medical practice in 1992. He has two sons and four grandchildren. One of his sons is a psychiatrist in Tennessee, and Dr. Gold’s oldest grandson is now in medical school.

Dr. Gold is a member of the VNA & Hospice Foundation’s Nightingale Society having established a charitable gift annuity with the VNA which pays him 11.3% income for life. After a recent discharge from Indian River Medical Center, he had VNA home healthcare. He said that the VNA nurses gave him wonderful treatment. Dr. Gold is sort of the “medical version of Will Rogers.” He said he never met a nurse in Vero Beach that he didn’t like. When asked why he supports the VNA, he said, “Because they do a lot of good things for people. They supply nurses, particularly for people who can’t afford it.”



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