

VOLUME 16

Multiplied Grace

A *Victory In Grace* Newsletter Designed to Assist You in Your Estate & Gift Design

Grace and peace be multiplied unto you through the knowledge of God, and of Jesus our Lord. 2 Peter 1:2



VICTORYTM
IN GRACE
FOUNDATION

Dear Friend,

Hundreds of viewers call every week when they see the *Victory In Grace* television broadcasts. People from our church answer these calls and share the gospel with every caller. In a recent conversation, a female caller responded:

- “I have been going to church my whole life and I have had these questions, and no one has ever explained it to me before. Thank you so much.”
- “Now that I understand I can’t lose my salvation ... I used to worry about it a lot, and I don’t anymore now. Now I really want to go witness to people.”

God is using *Victory In Grace* to reach the lost!

Have you ever stopped to consider that there will be no lost people in Heaven? There will be no witnessing opportunities there. But they are everywhere here on Earth.

I encourage you to pray every day that God would provide opportunities for you to share your faith. After all, this one life will soon be past and only what’s done for Christ will last.

In this issue, Neal will share with us some helpful information about life insurance. I trust this will be a blessing to you.

“For we brought nothing into this world, and it is certain we can carry nothing out.” (1 Tim. 6:7) The Apostle Paul doesn’t mince words with Timothy, his son in the faith. May we learn from these eternal truths and continue to focus our energy and lives on eternal things.



Dr. James A. Scudder





By Neal Dearyan

INTRODUCTION

We want to explore giving during our lifetimes to families and friends, and to help reach the lost and hurting world around us.

How much should we accumulate and what should we do with anything more than our present needs? What are the pros and cons of retaining accumulated assets, the problems and advantages of lifetime gifts, and the financial and spiritual implications?

We continue our study from the Word...

FROM THE WORD

Questions About Stewardship That Are Rarely Asked

**Why did the steward hide his talent in the ground?
Matthew 25:14–30**

After a time, the master returned to settle his accounts with his servants. The servants who had invested the master's property brought it back with an increase, and received a reward.

Well done, good and faithful servant; thou hast been faithful over a few things, I will make thee ruler over many things: enter thou into the joy of thy lord.

But the one who hid the money received a different response from the master:

Thou wicked and slothful servant... Take therefore the talent from him, and give it unto him which hath ten talents... And cast ye the unprofitable servant into outer darkness: there shall be weeping and gnashing of teeth.



The haunting question is, **Why did the servant dig a hole in the ground?** Why didn't he put the money in the bank or purchase stocks, bonds, or real estate?

Maybe ... the servant knew that to invest the money, he would have to title it in his master's name, the owner of the property.

Maybe ... he thought that the master would not return from his long journey. Illness, an accident, or thieves and robbers along the road could have prevented his return.

Maybe...he knew that if he invested the money and the master did not return, the property would become part of the master's estate, and would be distributed to his heirs.

Maybe... he thought if he buried the property and the man did not return, he could dig it up and keep it as his own.

As Christians, do we realize that what we have is owned by the Master and has been entrusted to our care ... for a period of time—as stewards?

Property is not ours, but is owned by God. We are caretakers, trustees, servants, and stewards. Financial stewardship is “using God-given abilities (verse 15) to manage God-owned properties (verse 14) to accomplish God-ordained results (verse 27)”.

There will be a reward for our stewardship when we hear the Master's words, “Well done, good and faithful servant.”

In developing a lifestyle of giving, it is important to understand that what we have is not our own. It is God's, and we are stewards.

TOOLS AVAILABLE IN THE ESTATE PLANNING PROCESS

The Marital Deduction

The marital deduction is an important tool when your estate is subject to taxes. Any property qualifying for the marital deduction can be transferred tax-free to the surviving spouse.

To fully understand the marital deduction, we need to understand basic estate tax laws.

Federal Estate Tax

First, there is no relationship between what is included in your estate for tax purposes, and what is subject to probate. This is a common misunderstanding. Your entire estate can avoid probate by means of joint ownership, trusts, or other probate avoidance devices. But it may be entirely subject to federal estate taxes.

To fully understand what is included in the estate for tax purposes, let's look at an outline of the property listing on a federal estate tax return.

- Real Estate
- Miscellaneous Property
- Stocks and Bonds
- Lifetime Transfers
- Mortgages, Notes, and Cash
- Powers of Appointment
- Insurance on Decedent's Life
- Annuities
- Jointly-Owned Property

From the total value of these properties (the gross estate), we can take deductions for:

- Funeral/Administration Expenses
- A Marital Deduction
- Decedent Debts, Mortgages, and Liens
- A Special Use Valuation
- Net Losses During Administration
- A Charitable Deduction

This gives us the taxable estate. However, a tax credit is available. This credit will allow the tax-free transfer of estate assets. The value of your estate which is in excess of the tax credit equivalency will be taxable.

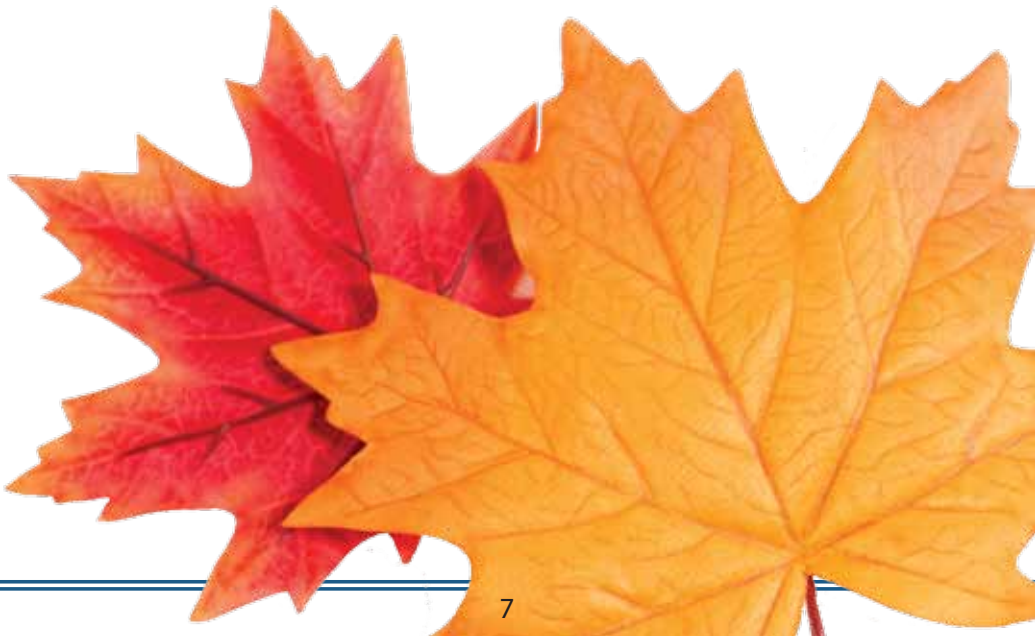
However, it is not necessary to pay a tax at the death of the first spouse. This tax can be avoided by qualifying property for the marital deduction.

Now, let's look at what qualifies as marital deduction property.

Property Qualifying for the Marital Deduction

To qualify for the marital deduction, property must be included in the adjusted gross estate and transferred to the surviving spouse. The most commonly used methods to accomplish this transfer are:

- Outright gift.
- Transfer in a revocable trust.
- Transfer in an irrevocable trust or life estate where the surviving spouse receives lifetime income and has a general power of appointment.
- Transfer in a trust where income is distributed or accumulated, but the entire assets of the trust are included in the estate of the surviving spouse.
- Transfer of life insurance proceeds payable under a settlement option.
- Transfer in a qualified terminable interest property (Q-TIP) trust. The spouse receives all income, and the



trustee can use the principal for the benefit of the surviving spouse. At the death of the surviving spouse, the remainder is payable to beneficiaries designated by the first spouse.

The marital deduction can be used to reduce taxes.

PLANNING FOR THE FUTURE

For we brought nothing into this world, and it is certain we can carry nothing out. And having food and raiment let us be therewith content. 1 Timothy 6:7-8

When an individual has accumulated more than enough to provide for the needs and some of the enjoyments of life, we believe there are two questions that person should ask.

- **How much?** If I could never work another day, how much do I need to make sure that my family and I will be cared for in future years?



“How much” depends upon lifestyle, personal needs, family, and giving to support the church and other charitable organizations. But for every person, there is an amount that would be sufficient. How much is that for me?

- **Why?** Why has God entrusted to me more than what is sufficient? There must be a reason. We have defined financial stewardship as: “Using God-given abilities to manage God-owned properties to accomplish God-ordained results.”

What results does God wish for me to accomplish with that which is more than I need for the necessities of my life?

The Gift of Giving

Why has God given you the ability to give? Romans 12 reminds us that we are to give back to God and others what God has given to us. Our focus is not on ourselves, but on Christ and others.

Do you have a long-term plan for how best to honor God with maximum efficiency and effectiveness?

Life insurance can be a part of that planning...

WHEN DID YOU LAST REVIEW YOUR LIFE INSURANCE?

Perhaps no other industry has changed as much in recent years as the life insurance industry. And many changes have been favorable.

Because of investment earnings by insurance companies and increased life expectancy, older, existing policies may be obsolete or too costly. Newer policies developed by the insurance industry may more adequately meet your life insurance needs.

Perhaps your responsibilities have changed. New family members, children who are no longer dependent, business obligations, and growth in estate assets point to the importance of periodic review of your insurance program.

If you have not reviewed your life insurance program within the last two years, why not take time today to call your agent and make an appointment?

As you review your program, make certain that your life insurance beneficiary arrangements are coordinated with your estate plan. Many estate plans fail to accomplish their purposes because beneficiary arrangements have not been coordinated with the total estate plan.

Life Insurance and Charitable Giving

Many friends of *Victory In Grace Ministries* also find that life insurance is an excellent way to make a gift to our ministry. Not only is it easy and convenient, but often it is one of the most thoughtful gifts you can make.

You might have property that you want to distribute to family members, but still want to support *Victory In Grace Ministries* through your estate plan. With a gift of life insurance, your estate assets are not diminished, because the gift is an amount in addition to your estate.

One of the unique features of life insurance is that a small, monthly commitment can guarantee a substantial, future benefit. Life insurance proceeds can be designated as a gift to *Victory In Grace Ministries*, made payable to family members, or used to replace gifts of other property designated as charitable gifts.

Through proper design, you can receive an income tax charitable deduction and substantially reduce estate taxes payable at the time of death.

We have prepared a special planning report, ***The Role of Life Insurance in Estate Planning and Charitable Giving***.

Please use the enclosed card to request your free copy today.



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“... Higher deficits are merely deferred taxes.”

— The Wall Street Journal

With the Bush tax cuts set to expire at the end of this year, sooner or later, tax rates will have to rise.

Are you prepared?

Have you met your giving goals for the year?

A little planning now could help you prepare for the future.

This could be a great time to get your estate in order. When you contact *Victory In Grace*, be sure to request the **Guide to Planning Your Estate**. It's a free resource.

My grandmother used to say,
“A stitch in time saves nine,”
and
“An ounce of prevention is worth a pound of cure.”





The information in this publication is of a general nature only and should not be interpreted as legal advice.



“Thanks to the *Victory In Grace Foundation*, my gift can keep on giving.”

When you designate a gift for the endowment fund of the *Victory In Grace Foundation*, the principal of your gift is never used. Instead, it is invested wisely and the interest is used to proclaim the gospel through *Victory In Grace* Television, Radio, and Missions.

You can feel confident your gift will remain and continue to make an eternal difference in the lives of people like Julie. A couple of years ago, she and her son both understood the gospel while watching *Victory In Grace* with Dr. Scudder. She says she owes us her life.

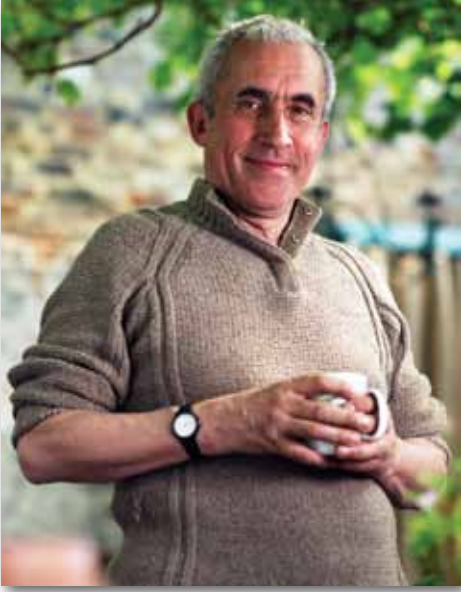
How can your gift keep giving?

Include wording in your will or trust similar to this:

“I hereby give \$_____ (or ___%) of my estate to *Victory In Grace Foundation, Inc.* as an endowment to fund the charitable work of *Victory In Grace Ministries.*”

Victory In Grace Foundation is a 501(c)(3) charitable organization.





“I had nothing else
to live for before
I talked to
[your operator].”
– Richard from
Baton Rouge, LA



Dr. James A. Scudder and Pastor Jim Scudder, Jr. proclaim the clear gospel message on WGN TV and WGN America every week at 5:30am CT Sunday mornings.

Every year, thousands respond to say they finally understand what Christ has done for them. Thank you for your prayers and gifts that affect the eternal destiny of so many.

Dr. James A. Scudder



FOUNDATION

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