

ABWE™ Dimensions

Financial Planning for Christians

RETIREMENT, REGRETS OR REWARDS?

Today many seniors are continuing to work past age 65. In 2010, surveys showed that 33% of people over the age of 65 were still employed. On the average, three years is the anticipated time in order to boost savings lost in the stock market collapse to an acceptable level. Some seniors also want to continue access to employer provided healthcare coverage.

Today, employees need to ask themselves when they can afford to retire. The decision is not only based on having accumulated savings, but also increased life expectancies. Workers who cannot continue with their employers can research other opportunities for part-time employment. Consider using your skills to earn a little extra income. Could you be a tutor, handyman, tax-preparer, limo driver, nursery (trees & flowers) worker, librarian assistant, or medical assistant?

People facing retirement should also be honest about the difference between

needs and wants. In most instances, there has to be financial adjustments and lifestyle changes. Just as it is advisable to live within a budget during the working years, this same system needs to be adhered to for the rest of our life. Consider the benefits of downsizing. With a lower income, eating out less will save money. Cutting back the amount given for birthdays and Christmas giving will significantly reduce expenditures. This will be understood and accepted by loved ones. Longer visits with children and grandchildren might cut down on frequent travel costs.

A large number of retirees who own computers have discovered being able to “skype”, e-mail and telephone (guard against long conversations) to stay in touch. Budgeting might also mean reducing the “fun things” we used to be able to do. Put money in your budget and live accordingly. If you are an avid



reader, use the local library. Many are finding that using an electronic reader (i.e., Kindle, Nook) provides a way of purchasing books at a greatly reduced rate. It will not take long to recoup the money you spent for the device.

Physical limitations may not allow you to continue certain hobbies and travel. If we are really honest about this we would have to admit that in pre-retirement and retirement years we can get by on less. Ask God for wisdom in these matters, then having done all you can, trust in His promises to provide for your needs.

TREASURE

The man who has God for his treasure has all things in One. Many ordinary treasures may be denied him, or if he is allowed to have them, the enjoyment of them will be so tempered that they will never be necessary to his happiness. Or if he must see them go, one after one, he will scarcely feel a sense of loss, for having the Source of all things he has in One all satisfaction, all pleasure, all delight. Whatever he may lose, he has actually lost nothing, for he now has it all in One, and he has it purely, legitimately and forever.

Editor's Note: I cannot find the author of the above. I love this writing and would encourage you to cut it out, and place it in your Bible.

Paying Back Student Loans



A bad economy can force some people to default on their school loans. Most loans are considered to be in default if payments have not been made for 270 days. Defaulting on a loan results in bad credit if the loan is given to a collection agency. In some cases the government can also garnish your wages. It is never good to completely ignore the responsibility of paying back this loan. If you are having financial difficulty, contact your lender and discuss your options. Here are some options:

- **Ask For Some Patience.** This may allow you to postpone or pay smaller payments, although the interest will continue. You could also extend your payments or investigate a loan consolidation. Look at www.studentloanborrowerassistance.org/where-to-go-for-help/
- **Apply For Deferment** for up to three years. Deferments are available if you are still in school, are currently unemployed or are experiencing economic hardship.
- **Ask About An Income-Based Repayment Plan.** This would allow borrowers to have their payments be capped based on their income. Look at www.ibrinfo.org

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Department of Planned Giving Ministries
Association of Baptists for World Evangelism Inc.,
P.O. Box 8585, Harrisburg, PA 17105-8585
(717) 774-7000 FAX: (717) 774-1919
Website: www.abwe.org

ABWE Canadian Office:
980 Adelaide Street South, Suite 34
London, ON N6E 1R3, CANADA
E-mail: office@abwecanada.org
Phone 1-519-690-1009

Income From Your Home

Many seniors reach the place in life when they no longer want the responsibility of maintaining their home. At the same time, they would like to have additional income. ABWE's Charitable Remainder Trust can provide the solution to both issues. If a home is given to the mission, the senior(s) homeowners are paid lifetime income (for married couples it would pay for two lifetimes).

Take the example of Mrs. Lillian Brown, age 82. Mr. and Mrs. Brown bought their house many years ago for \$75,000. Mrs. Brown continued to live in the home for five years after Mr. Brown died. The value of her home has risen to over \$400,000.00. By making a gift of the house to ABWE, she benefitted as follows:

1. No Capital Gains Tax is paid
2. Mrs. Brown receives a lifetime income.
3. Mrs. Brown was able to apply the charitable deduction against her income taxes.
4. She moved to an apartment and was then free of home maintenance and taxes and all the extra attention her house required. Her additional income and the money saved by moving to the apartment covered her rental costs and then some.
5. At Mrs. Brown's death, world missions continues using the remaining money in the Trust.

Note: Aside from a personal residence, other appreciated real estate or stocks can be used.

Should you consider this wonderful arrangement?

ESTATE PLANNING CHECKLIST

- Determine your current and estimated down-the-road needs, including retirement and the possibility of disability.
- Make a list of your assets—including cost basis, current fair-market value and how they are owned (separate property, joint property, tenancy by the entirety, tenancy in common, community property). How much income do they pay? Do they provide a hedge against inflation? Should they be held or sold?
- List your debts, including potential estate taxes (once the law is known), and the assets your estate will use to pay them.
- Decide on what you wish to pass on to others. Consider the strengths and weaknesses of potential beneficiaries and their current and future needs. Also consider creditor protection concerns.
- Charitable gifts during life and by will are an important part of many estate plans. So are charitable plans that pay you and others life income before the charity gets the gift. You'll find that the tax laws enable you to be a philanthropist at wholesale cost.
- Determine who would be appropriate fiduciaries—trustees, executors, guardians for minors, holders of powers of attorney.
- Consider the pros and cons of transferring some assets during your lifetime.
- Plan for the continuation, sale or transfer of a business with minimum erosion by taxes and mismanagement.
- Maintain an up-to-date will or living trust that will carry out your wishes and minimize administration expenses and taxes on your estate.
- Review your life insurance and pension plans, including beneficiary designations and payment options.
- Be sure to have a current living will.
- Maintain an up-to-date durable health care power of attorney (sometimes called a health care proxy) that empowers the named person to make health care decisions for you if you are incapable of doing so.

ABWE'S Withdrawable Gift Program

Current Rates: 3.90–5.4%

To give something away with the option to take it back—sound like a contradiction? ABWE's Withdrawable Gift Agreement (WGA) does just that, and without penalties. Many of ABWE's Partners in Ministry have savings accounts and CD's. The WGA program has been designated for those who want to have the opportunity of "saving and supporting" at the same time.

Here's How It Works

You place an amount of \$1,000 or more with ABWE. In turn you receive a document called a Withdrawable Gift Agreement. You choose an option that allows interest to be sent quarterly, or even accumulated. The rate of interest is determined annually by ABWE's Finance Committee.

Flexibility

- The WGA provides for penalty-free partial withdrawals of \$500 or more.
- Additions of \$500 or more can be made at any time.
- The option of naming a successor beneficiary to receive income is available.
- Some have used WGA's to provide current or future support for ABWE missionaries.

Additional Advantages

- An important feature of ABWE's WGA is the opportunity for probate avoidance, thereby eliminating unnecessary delays and expenses.
- When you invest in a CD at a bank, the bank plans to earn more from your deposit than what is paid to you in interest. ABWE's WGA would act the same way. Any excess earnings help to underwrite the cost of our worldwide ministry.

Would this be helpful to you?

Financial Help for the Disabled

Being disabled or caring for the disabled is physically and financially challenging. Thankfully, there is financial relief through various discounts.

The following organizations can help with significant savings for caregivers and the disabled.

Local Community Action Programs

- The Community Action Partnership at www.CommunityActionPartnership.com or 202-265-7846
- National Association of Area Agencies or Again at www.n4a.org or 202-872-0888.

Locate non-profit groups associated with your disability or disease

- America Liver Foundation at www.LiverFoundation.org or 212-668-1000
- Muscular Dystrophy Association at www.mdausa.org or 800-572-1717
- ALS Association at www.alsa.org or 800-782-4747
- National Kidney Foundation at www.kidney.org or 800-622-9100
- Hemophilia Foundation at www.hemophilia.org or 800-424-2634
- National Multiple Sclerosis Society or www.nationalmssociety.org or 800-344-4867

Note: If there is no national organization for your particular disability, there may be local organizations to help you.

- Look at the web site www.e-bility.com download accessories software. Some of the software is free. This can make it easier for some disabled person to use their computers.
- Two free programs from the Federal Government are:

"That All May Read"

This program from the Library of Congress mails audio books to people with vision or physical impairments. This program will also loan an audio book player and provide a postage paid system for returning audio books. There are over 60,000 books available. Contact www.loc.gov/nls.

The National Park System

Provides free admission for life to those who are permanently disabled for national parks and recreational lands. The pass also includes free admission for up to three accompanying adults. Contact www.nps.gov/fees.passes.htm.

Utility companies

Some provide special discounts to disabled customers. Call your various utility providers to find out if they participate.

AT&T and Verizon

Offer free directory assistance calls to those whose disabilities make it difficult to use a telephone directory.



The Lighter Side Of Wisdom

NEWSPAPER HEADLINES

“Cold Wave Linked To Temperatures”
“Include Your Children When Baking Cookies”
“Iraqi Head Seeks Arms”
“Two Sisters Reunited After 18 Years At The Check-Out Counter”
“Typhoon Rips Through Cemetery, Hundreds Dead”
“Red Tape Holds Up New Bridges”

A MERRY HEART PRODUCES:

Prov. 15:13 – A cheerful countenance
Prov. 17:22 – Does good, like medicine

The Telephone and Waiting on Hold

Don't you love it? Be honest, does it try your patience? (Well, maybe a little bit). Several free websites can help. Go to www.lucyphone.com then search for the company you are trying to contact. Next enter your telephone number and click “start”. Lucy phone will contact the company and will call you with your options for contacting a company representative. After you have decided on an option, Lucy Phone will call back after it has reached a person. www.dialahuman.com also offers similar service.

READER'S IDEAS...

Starting with the Fall/Winter issue we will give you the opportunity of sharing some helpful things that you are doing to save money.

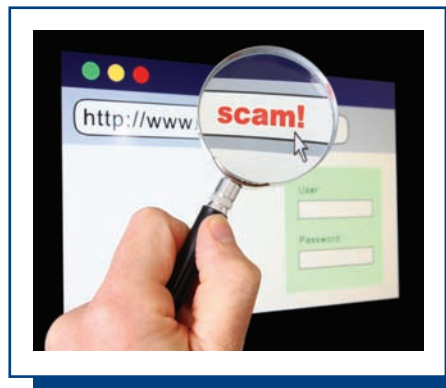
For example: Shopping, travel, education, etc.

Use the Information Request Form or email spence@abwe.org.

**Spencer Jackson,
Editor**



Scammer Watch



Scammers pretending to be with the IRS are sending e-mails to people attempting to get them to click on phony links and provide personal information. If you receive any e-mail claiming to be from the IRS, delete it immediately. The IRS communicates with taxpayers by postal letters.

Note: Scammers also use the telephone to pose as being with banks, credit card companies and the IRS. Never give any personal information to someone who calls you.

Do You Do a Lot of Flying?

As many airlines add extra baggage fees, many people are opting to carry their luggage onto the plane. Unfortunately, you have to spend more time at security dealing with liquids you are carrying. Consider packing solid toiletries. Bars of shampoo, dry soap and toothpaste powders are available online.

Finding Your Best Travel Web Sites

Looking to save money when traveling? Check out these site:

HOTELS—With rates that are often 50% lower than the published rates, www.HotelsCombined.com has great contacts with hotel discounters. If you are willing to bid for a room, but want to see what you are bidding on, check out www.BetterBidding.com and www.biddingfortravel.com.

AIR FARES—www.momondo.com and www.dohop.com offer a broad impartial search in order to save you money.

CAR RENTALS—www.autoslash.com searches the web for discount car rental companies. It then applies relevant coupons so you get the savings automatically. After you have booked your rental, www.autoslash.com continues to look for lower rentals. If it finds one before you secure your car, it will notify you of the lower cost so you can re-book at the lower rate. Consider www.breezenet.com before you book a car.



Watching TV on Your Computer

For the conscientious TV viewer, more and more Christians are looking for clean, wholesome presentations for the whole family. Go to www.Clicker.com to access thousands of shows from as far back as the 1950's. Although some of the listings show scaled down versions of the episode, most episodes are full length. To search for a show enter the name of a program and hit find. Most shows are free.

The website www.hulu.com is another option. Hulu will be providing Hulu Plus for \$10 per month. www.netflix.com is a very popular way of viewing clean movies and older TV shows. Your monthly cost is \$8.99.

It is a one DVD-at-a-time plan that allows access to a large number of movies and TV shows.

Many who use these sites and are able to cut back or cancel their cable service altogether.



INFORMATION REQUEST FORM

Giving Appreciated Assets for An Income

W.G.A. Paying 3.9% - 5.4%

The 10/90 Giving Plan

I would like to retire: _____ (year)

I am currently retired

A Gift Annuity illustration for supplemental income (interest rates are determined by age/ages)

My birth date: ____ / ____ / ____

My spouse's birth date: ____ / ____ / ____

Reader's Ideas _____

Name (Mr./Mrs./Miss) _____

Address _____

City _____ State _____ Zip _____

Phone (_____) _____

This is a new address, my old address label is attached.

I thought you'd like to know I have made ABWE part of my final giving plans.



1. CUT HERE... 2. FOLD... 3. SEAL WITH TAPE... 4. AFFIX POSTAGE... 5. MAIL

Need Money?

After exhausting other options, many individuals turn to their 401(K) plans in times of financial need. In addition to making “hardship” withdrawals (used only for “immediate and heavy financial needs” such as a foreclosure or unreimbursed medical bills), you may borrow from your plan. Most plans allow you to borrow up to half of the vested balance in your account. A maximum of \$50,000 can be borrowed without incurring any penalties or taxes. You can use the borrowed money for any purpose. The average interest rate is usually 1% above the prime. Most employers will deduct monthly loan payments. The rules require you to pay the loan back within five years. If the loan is to buy a primary residence, however, you have up to 15 years to pay back the money. One caution: if you switch jobs or become unemployed the balance becomes due within 60 days. If you are under the age of 49 ½ the balance is considered an early withdrawal subject to taxes and a 10% penalty. While borrowing from your 401(K) is an option, do so with great caution and a lot of prayer.



Protecting Your Credit Card

Using your credit cards to pay for expenses while you travel can sometimes result in identity theft. To eliminate fraudulent charges carefully review your bill as soon as you receive it. If you find charges that you do not recognize, contact the card issuer immediately.



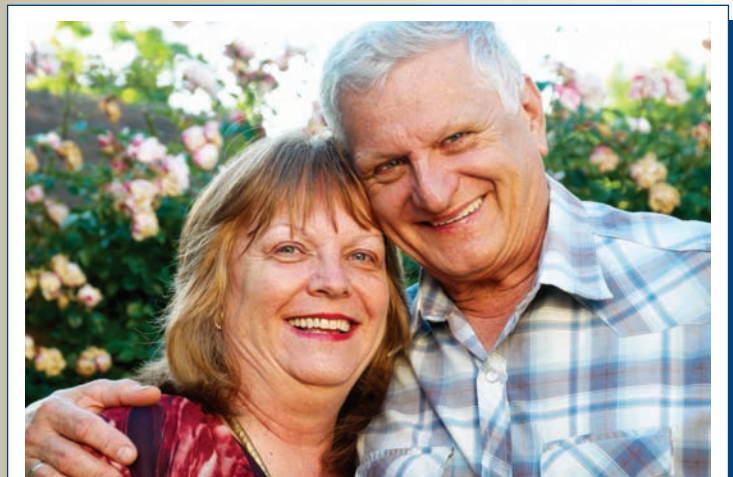
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**INFORMATION
REQUEST
FORM**



When Do You Choose A Nursing Home?

In many instances the decision to enter a nursing home comes about because of a sudden decline in health. Contact your state long-term care ombudsman for help in finding nursing facilities in your area, www.ltombudsman.org. Another useful site is www.medicare.gov/nhcompare. Before you make a decision visit at least six nursing homes several times. Allow plenty of time on each visit. Come to the facility, without any prior arrangement to get a sense, or impression of each home. Observe the interaction between staff and residents. Note how clean it is. What does your nose say to you? Become a detective. When the time comes to have an actual interview with the admittance person, be thorough. Do your homework. Most importantly, “Commit thy way unto the Lord. Trust also in Him, and He shall bring it to pass.” Ps 37:5

Helpful Information for Widows

When a woman’s husband dies she may have to take on new financial responsibilities. This can be a daunting task. “Moving Forward on Your Own: A Financial Guidebook for Widows” is a helpful resource. This publication was written by a widow, Kathleen Rehl.

STORING YOUR SAVINGS BONDS

It is not like the old days when savings bonds were kept in safe places like lock boxes until maturity. Series EE and I bonds mature in 30 years and are currently sold by the US Treasury Department.

The Treasury Department now offers free electronic storage for bonds. Additionally, there aren’t any brokerage fees when you buy them. Treasury Direct will electronically store the bonds, but will not send any statements to you after you buy them. It would be well to keep records of your bonds in a safe deposit box. Any individuals that are close to you as well as your attorney should have record of these as well. For information on this Treasury Direct offer, contact www.treasurydirect.gov.

Need Guaranteed Income?

THE STEPS

- You make a gift to ABWE.
- ABWE gives back to you a guaranteed lifetime income for one or two people. (A portion of this income is tax-free).
- You receive a charitable deduction for the gift that can be applied towards federal income taxes.
- When you go to be with the Lord, a gift remains for world missions through ABWE.

Maybe you are experiencing less income from your investments. Would higher income with stability be helpful?

SINGLE GIFT ANNUITY RATES

Age	%	Age	%
65	5.5	78	6.8
66	5.5	79	7.0
67	5.6	80	7.2
68	5.7	81	7.4
69	5.8	82	7.5
70	5.8	83	7.7
71	5.9	84	7.9
72	6.0	85	8.1
73	6.1	86	8.3
74	6.3	87	8.6
75	6.4	88	8.9
76	6.5	89	9.2
77	6.7	90	9.5

Note: If a second person is added, the above rates are adjusted. Check with us to see if this is available in your state.

If you are within 10 to 15 years of retirement, consider a *deferred gift annuity*. This would pay higher rates of return in the future. With either type of gift annuity, cash or stocks can be used for your gift.

Checking Out An Insurance Company

Does your insurance company give a runaround in paying for claims? Check with the [National Association of Insurance Commissioners Consumer Information Source](http://www.naic.com). www.naic.com

Deductions for Job Hunting

As long as the expenses are for securing a job in your same line of work, they are deductible. Expenses cover preparing new resumes, transportation costs, meals and lodging. Keep careful records including receipts. Check with an accountant in these matters.

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P.O. BOX 8585
HARRISBURG, PA 17105-8585

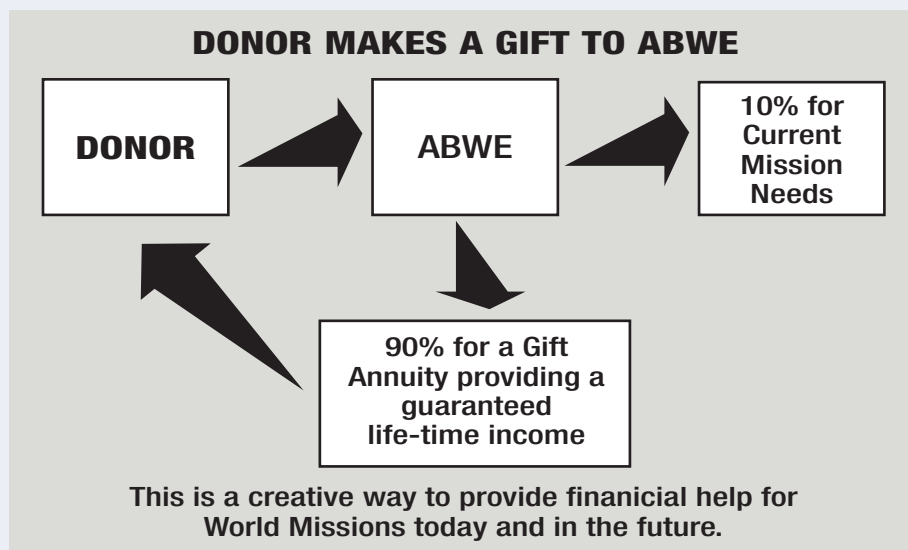
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The 10/90 Giving Plan

"Investing in the Present, Providing for the Future"

HOW IT WORKS

- A donor (age 55 and above) makes a gift of at least \$2,000 to ABWE.
- 10% of the gift is designated for current needs and 90% is designated to fund a Gift Annuity.
- 10% of the gift is totally deductible for income tax purposes; 90% is partially deductible and produces a guaranteed life-time income stream to the donor.
- When donors dies remaining money helps World Missions.



Have You Remembered ABWE in Your Will or Final Plans?