

Opportunities

INFORMING YOU OF OPPORTUNITIES
FOR PLANNING YOUR FUTURE

SUMMER 2010

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Life Income Gifts: Good for You and Health Care in Silicon Valley

PEOPLE WHO SUPPORT EL CAMINO HOSPITAL FOUNDATION DO SO OUT OF A SPIRIT OF GENEROSITY

and a desire to maintain outstanding health care in our community. Nonetheless, charitable contributions often can be planned to blend with the personal goals and objectives donors have for themselves and their families.

You may find it advantageous to create a "life income gift" in which you or others will be paid an income for life, with eventual benefit to the people served by El Camino Hospital. Depending on how you arrange your gift, many tax and financial advantages are possible:

- **Large charitable deductions**
- **Increased income for your family**
- **Capital gains tax avoidance**
- **Favorably taxed income**
- **Professional investment of your funds**
- **Reduced estate settlement costs and estate taxes**

What's more, your gift can be planned to provide you with a variety of practical benefits, such as additional retirement savings, supplemental college funds for grandchildren, support for a friend or family member, or financial management for those who need it. Charitable gift annuities and charitable remainder trusts, described in this newsletter, are two primary pathways to achieving your personal and philanthropic goals.



Retail Pharmacy Opens at El Camino Hospital

THE LOS ALTOS PHARMACY IS NOW OPEN AT EL CAMINO HOSPITAL IN MOUNTAIN VIEW. Located in the lobby of the main hospital building, it offers a full range of prescription drugs, over-the-counter products and some home medical equipment at competitive prices. It is open to hospital visitors, employees and local residents Monday through Friday, 10:00 a.m. to 6:00 p.m. Friendly staff is always available for personal consultations and assistance. The pharmacy is also happy to fill patients' prescriptions so the medicines are ready for convenient pickup upon discharge.

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Imagine all we can do together.
THE CAMPAIGN FOR EL CAMINO HOSPITAL



El Camino Hospital® Foundation
THE HOSPITAL OF SILICON VALLEY

Retail Pharmacy Now Open

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A family business, the Los Altos Pharmacy recently celebrated its 75th anniversary in the community and a third generation of the Nelson family is involved. They are thrilled to be part of the El Camino Hospital health services team.

The pharmacy is one of three retail businesses now open in the lobby of the new patient tower. The Gift Connection sells greeting cards, books, magazines, flowers and other gift items. All of its net proceeds directly benefit El Camino Hospital. The Health Connection purveys healthy lifestyle gift items and offers personal neck and shoulder massages by appointment. **Please stop by and browse the next time you are in the neighborhood.**

What Will My Legacy Be?

Do you qualify for membership in El Camino Hospital Foundation's Legacy Society? If you have made a gift to the Foundation in your will or trust, please let us know so we can thank you and invite you to our special Legacy Society events. For more information, contact Madeline Chaleff, director of gift planning, at 650.962.4904 or madeline.chaleff@elcaminohospital.org.

Gift Annuities Make Sense in Today's Economy

SUPPORTERS WHO ARE LOOKING FOR ANTIDOTES TO STOCK MARKET VOLATILITY OR LOW CD RATES may find gift annuities ideal for helping El Camino Hospital Foundation – and themselves. Your gift annuity provides five distinct advantages:

1. Lifetime payments to one or two people – at payout rates of 5% to 9.5%
2. Tax deduction savings
3. Partly tax-free payments
4. Reduced capital gains taxes if you fund your annuity with appreciated securities
5. Personal satisfaction from making a gift that preserves excellence in health care at El Camino Hospital.

Charitable gift annuities pay an "income you cannot outlive." If someone age 82 establishes a gift annuity with \$10,000, we will send that person \$750 a year (7.5%) for the rest of his or her life, even to age 92, 102 or older. Gift annuities offer a safe way to "dip into principal" and improve one's living standards. Furthermore, charitable gift annuity payments are backed by the full resources of El Camino Hospital.

Currently, up to 50% of what you transfer for a charitable gift annuity will qualify as an itemized deduction and about two-thirds of your annual payments will be tax exempt during your life expectancy. Here are sample one-life payout rates offered by the Foundation. We would be pleased to furnish you with the rates for two-life annuities – just call our office.

Age of Recipient	Payout Rate	Age of Recipient	Payout Rate
60	5.2%	76	6.5%
62	5.3%	78	6.8%
64	5.4%	80	7.2%
66	5.5%	82	7.5%
68	5.7%	84	7.9%
70	5.8%	86	8.3%
72	6.0%	88	8.9%
74	6.3%	90 or over	9.5%



Customize a Tax-Exempt Trust for You and the El Camino Hospital Foundation

Another remarkable gift tool that can achieve personal objectives is the charitable remainder trust. You may choose between fixed payments (an annuity trust) or a variable income plan (the unitrust) and decide the amount of lifetime income you will receive each year (usually 5% or 6%). In many cases, your income will be favorably taxed. You can transfer stocks or other appreciated property to the trust without losing anything to capital gains taxes on your paper profit.

Keep in mind that the trust you establish to benefit El Camino Hospital Foundation will be completely customized to meet your individual financial needs and objectives.

Your trust can be planned to:

- **Secure a large deduction this year**
- **Increase family income from investments**
- **Sell and reinvest real estate, stocks or collectibles free of taxes**
- **Supplement your retirement nest egg**
- **Divert investment income to a family member in a low tax bracket**
- **Minimize gift taxes, estate taxes and probate costs**
- **Provide professional investment of your funds**
- **Assist the Hospital when the trust comes to an end.**

Please call our office if you would like to further explore charitable remainder trusts.

Practical Planning with Gift Annuities

Reduce taxes on Roth IRA conversions.

Charitable gift annuities are usually arranged by donors who are in their 70s and 80s because payouts are larger. However, gift annuities also may be appealing to sons and daughters of retirees who want to help the Hospital and their parents. Suppose Samantha, age 55, sends a monthly \$500 check to her mother, who is 85. Samantha wants to keep assisting her mother but would also like to reduce the income taxes on her 2010 Roth IRA conversion. Samantha could give \$75,000 to the Foundation in exchange for a charitable gift annuity that pays her mother \$6,000 annually for life. Samantha would receive a charitable deduction of nearly \$43,000, which would offset taxable income from her Roth IRA conversion, and her mother would be protected should something happen to Samantha.

Recycle "expired" savings bonds. Effective July 1, all Series E savings bonds will no longer earn interest. All Series H savings bonds stopped paying interest at the end of 2009. These expired bonds should be cashed in and the proceeds put to a good purpose – but cashing savings bonds usually results in having to report taxable interest. You can reduce or eliminate the tax by using bond proceeds to fund a gift annuity that provides a large deduction, plus payments for life that will be partly tax free during your life expectancy.

Rebuild retirement nest eggs. Many baby boomers saw their 401(k) plans shrink to "201(k)s" after 2007. They would like to deposit more to rebuild such plans, but are constrained by by annual contribution limits. A satisfying supplement might be the deferred payment gift annuity, which has no contribution ceiling. Donors can postpone their first payment by five, 10, 15 years or longer, and qualify for increased payouts plus large deductions.

Profile in Giving: Sheetal and Anil Singhal

SHEETAL AND ANIL SINGHAL BELIEVE STRONGLY IN THE CIRCLE OF GIVING that radiates from their family to the local community and, through their Indian roots, out into the larger world.

Sheetal spent her formative years in India, attending an elite boarding school in Dehra Dunn, north of New Delhi, even after her parents immigrated to the United States. Anil grew up in San Jose. The two met when they were students, she an undergraduate at Santa Clara University and he in medical school. The two shared not only a common background, but a keen awareness of their privilege compared to the endemic poverty suffered by so many of their native countrymen. Married since 1988 and now the parents of four, their commitment to the circle of giving has never wavered.

Sheetal, a dancer, runs a school that teaches classical, folk, and Bollywood Indian dance. She also publishes bilingual children's books in Hindi and English. The books help children of Indian heritage share their cultural identity and be proud of who they are. The mission that one should be an "upstander" not a bystander in life drives her involvement in the YMCA's Project Cornerstone, whose aim is to help young people develop the values and skills they need in order to become caring and responsible adults. And it propels her to run an annual dance exhibition that raises funds for Ruchika, an organization that educates Indian street children who live in railroad stations half way around the world.

Anil, an obstetrician gynecologist, left his practice 12 years ago to enter the medical device and software business. But he continues to serve patients once a week as a volunteer at the RotaCare Free Clinic, where he established and runs the women's services program. He first became involved with El Camino Hospital Foundation in 2004 as a supporter of the South Asian Heart Center. Shortly thereafter, he joined the Foundation board of directors. Sheetal is also involved with the South Asian Heart Center and this year chaired its annual gala, which was attended by more than 700 supporters.



Anil and Sheetal Singhal

"As a doctor I know where the problems are in this region's health care system," says Anil. "Being a volunteer allows me to fill in some of those holes without having to deal with the patient's ability to pay."

Leaving a legacy gift to the Foundation, the couple believes, is another way to help close those gaps. "We strongly believe in what the hospital is doing for both the fortunate and less fortunate in our community," says Anil. "We know that every little bit counts and we wanted to make a lasting gift," one that would reinforce for their children the concept of the circle of giving. They made a bequest to El Camino Hospital Foundation by adding an addendum to their will.

"We, as a family, donate regularly to programs in India but we feel that this is our home now and we need to be part of this community," says Sheetal. "Even though your priority is to provide for your children, it is important to leave something for the community as well."

"All of us will need this or another hospital many times in our lives," adds Anil. "With this gift we are doing our part to ensure El Camino Hospital remains a top-notch facility and can provide everything our children and the community will need in the future."

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