



METHODIST HOSPITAL FOUNDATION
Supporting The Next Generation of Care

COMPASS

A FINANCIAL AND CHARITABLE PLANNING GUIDE

A Gift with Many Benefits

Planning your estate might seem intimidating, but take it from an expert—an expert who cares about the community and knows about estate planning.



Spanning the decades, Jim Helms has served in numerous civic

roles. It occurred to me that I could make a meaningful contribution to the hospital in return for a gift annuity.” In a gift annuity contract, the donor

“Without Methodist Hospital, we would all be put at risk in times of medical need. We are the ones who must support this hospital.”

—Jim Helms

capacities, with his support of Methodist beginning when the first spade of earth was turned in 1953—the year he opened his law practice in Arcadia. Jim has specialized in estate planning and trust and probate law since 1989, helping clients structure their estates so they fulfill their last wishes and provide maximum benefit to beneficiaries. And if plans can benefit clients during their lifetimes, Jim will present that option, too. Such is the case with charitable gift annuities.

“A gift annuity is a remarkably painless way to make a charitable gift to the hospital,” Jim says. “When one of my certificates of deposit came due,

I transferred assets to a charitable organization in exchange for an annuity that provides a lifetime income stream. “There can be a significant tax savings the year the donation is made,” Jim explains, “especially when using appreciated assets.” A portion of each payment is also typically considered nontaxable, another benefit.

“The community needs to understand that this hospital exists only because concerned residents choose to give it their financial support,” Jim says.

For more information on charitable gift annuities, call Jay Harvill at Methodist Hospital Foundation at (626) 898-8888.

Maintain a Healthy Lifestyle: Exercise Regularly

If your doctor could prescribe just one medicine that would help you stay healthy and strong, would you take it? There is such a medicine—it's called exercise.



Several scientifically conducted studies have recently shown that exercise is almost as good as the fountain of youth. It can turn back the clock for adults of all ages.

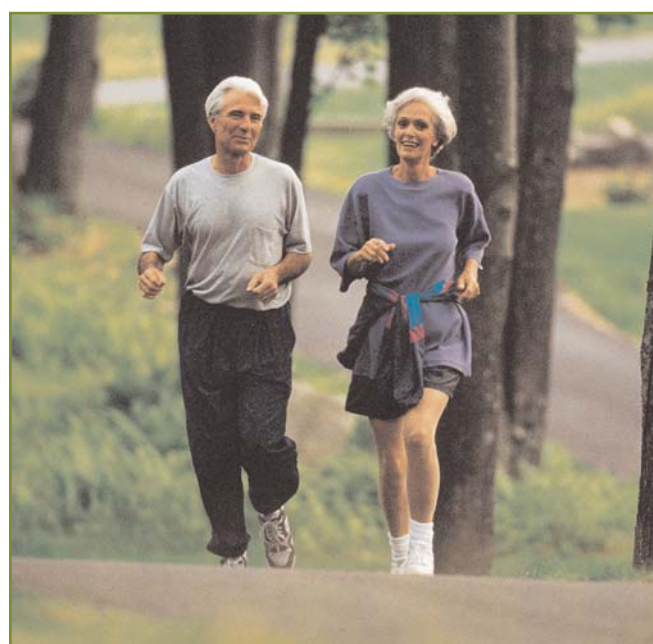
Four Types of Exercise Are Important

Think of these four types of exercise as separate but equal areas that help in creating health benefits for you: strength, balance, flexibility and endurance.

Strength Exercises Build Muscle. Weight training is the most common type of strength exercise. Strength exercises increase your muscle mass and physical power. They also increase your metabolism, which helps keep your weight and blood pressure in check. Muscle strength translates into the ability to carry out many activities that are important in everyday life, such as climbing stairs, carrying heavy bags of groceries and lifting.

Balance Exercises Prevent Falls. Examples of balance exercises include side leg raises and knee flexions. Some balance exercises build up your leg muscles. Others improve your balance when you do simple activities like briefly standing on one leg.

Flexibility Exercises Keep You Limber. Simple stretching exercises help prevent injuries



and keep your body flexible. They do this by stretching your muscles and the tissues that hold your body's structures in place.

Endurance Exercises Have Several Benefits. Brisk walking, swimming and jogging are all endurance exercises. These exercises elevate your heart rate for at least 20 minutes and also burn calories. The overall effect is improved health for your heart, lungs and circulatory system. Endurance exercises may also delay or prevent diseases such as diabetes, colon cancer, heart disease, osteoporosis or stroke.

“We make a living by what we get, but we make a life by what we give”

—Sir Winston Churchill

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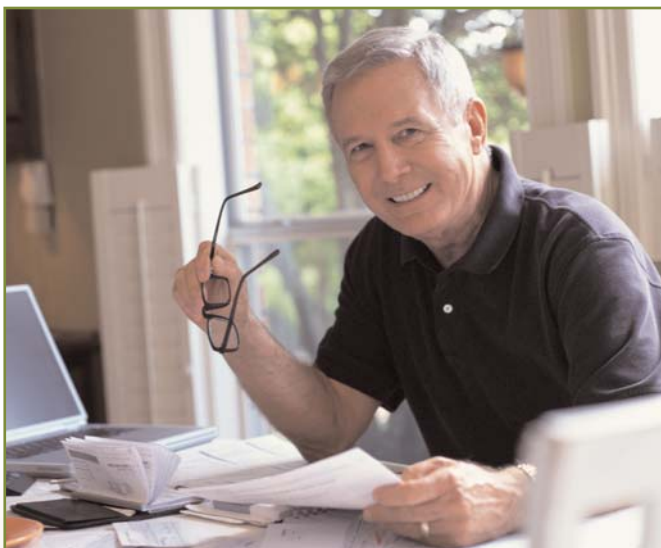
Your Savings Bonds— Hold Them or Fold Them?

Many of us over the years have purchased U.S. Savings Bonds anticipating that some day, we would receive a nice return on our investment. So, what did we do? We hid them in our bank safe deposit boxes, fully expecting to check on them when they were “ready.” As the years went by, they were forgotten and gathered interest and dust.



When you find those forgotten savings bonds, you may ask what they’re worth today. Is it time to cash them in? Finding the answer is as close to you as your computer. The Bureau of Public Debt’s Web site at www.publicdebt.treas.gov has a calculator that will determine a bond’s value, the next interest payment and its maturity date when interest accrual stops.

When you find the site, have your bonds next to you so you can enter the series, denomination, serial number and issue date. Following these four steps will get you the answers you need:



Step 1: On the main page, click on the blue tab called **“Savings Bonds.”**

Step 2: On the next page, find **“What Are Your Bonds Worth?”** halfway down the page and click on **“Savings Bond Calculator.”**

Step 3: Click **“Get Started.”**

Step 4: You’re on your way! Enter the information from your bonds and immediately find if you need to redeem them or hold them for a later date.

Where can you redeem your bonds? The bank or financial institution where you have a relationship will be able to cash your U.S. Savings Bonds while you wait. If you have any questions about older bonds or stock and how to value them, call Jay Harvill at the Foundation at (626) 898-8888.

A Bright Future for You

Consider a gift that ensures your future and brightens ours. Read about it in our **FREE** brochure, *Invest in Our*

Future With a Charitable Gift Annuity.

Simply return the enclosed reply card.

Methodist Hospital is indispensable to the quality of life in the San Gabriel Valley. There is nothing more important than having full access to comprehensive medical services.

The future of health care belongs to all of us.

Your Will: The Most Important Document You Will Ever Own

Few documents rival the importance of a will—probably the most well-known estate planning tool in America.



A properly drafted will is a legal document that should specifically describe how and to whom your assets will be transferred.

When you die, your will is put through probate, the process of proving, in a public court of law, the validity of the most recent version of your will.

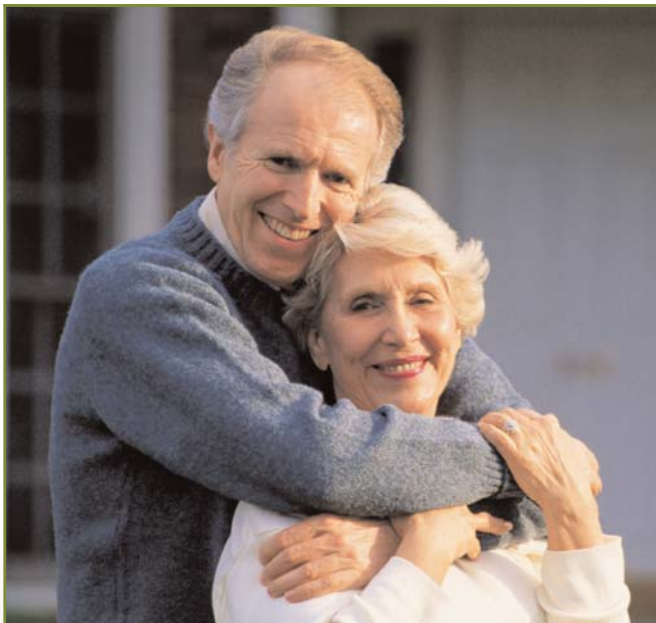
If you are among those who do not have a will, then the state in which you reside will distribute your assets according to state law.

Unfortunately, the state's will may prove inadequate. In most states, your spouse will not receive your entire estate if you die without a will.

As much as one-third to one-half of your assets may transfer to other family members. The government will also not implement estate planning techniques that reduce taxes imposed at your death or allow your heirs to receive their maximum inheritance.

To maximize estate planning strategies, it is best to consult an estate planning attorney when drafting or updating your will.

Feel free to contact Jay Harvill if you have questions about including Methodist Hospital Foundation in your estate plans.



If You Don't Have a Will...

State law will determine what happens to your property. Here's an example of a typical state law:

- If you have a spouse, everything goes to him or her.
- If you have a spouse and one child, it is divided between them.
- If you have a spouse and more than one child, one third will go to your spouse and the rest will be divided among the children.
- If you have no immediate family, it will go to other relatives according to a statutory formula.
- If no relatives can be found, it will revert to the state.



Charitable Gift Annuity Versus Certificate of Deposit

It used to be that a savings account could be counted on for reasonable earnings; then CDs became a solid investment with a reliable return. Now, the days of double-digit returns for certificates of deposit have long passed, and you may be searching for options that produce a higher rate of return.



Charitable life income plans, including the charitable gift annuity, could be the solution.

Depending on your age, you can receive a rate of return that is substantially higher than you might receive with CDs or other noncharitable plans—an important consideration as you plan your finances.

See the chart below to compare the current rates for a charitable gift annuity with a certificate of deposit and see the differences.

Your rate of return on a charitable gift annuity is further enhanced because you are allowed a charitable contribution deduction. For example,

if a 70-year-old individual in the 25 percent tax bracket makes a \$25,000 gift to our organization, he or she will be allowed a \$10,296* deduction in the year of the gift. Although the annuity payout rate is 6.5 percent, this additional tax benefit produces an effective rate of return on the gift of 8.6 percent.

For additional information on how this life income plan may serve your needs, please call Jay Harvill at (626) 898-8888. There is no obligation.

*Based on quarterly payments and a 5.4 percent charitable midterm federal rate

INCREASE YOUR RETURN



Gift Annuity Rates

Certificate of Deposit**

AGE	RATE	YEARS	YIELD
65	6.0%	1	5.05%
75	7.1%	3	5.10%
85	9.5%	5	5.15%
90+	11.3%	7	5.20%

**Source: www.bankcd.com. Rates as of March 2006



The Rose Society honors those special friends of Methodist Hospital who have created a legacy for the future through their estate plans. Membership is open to all who have made a provision in their wills, trusts, annuities, retirement plans or insurance policies to support the continuing advancement of technological services, first-rate facilities and dedication to personal care at Methodist Hospital.

For more information about becoming a member, contact Jay Harvill at (626) 898-8888.

Got Estate or Gift Planning Questions? Learn more on our NEW estate planning Web site!

In an effort to keep you up to date on issues involving estate planning and planned giving, Methodist Hospital Foundation has introduced a new Web site, www.methodisthospital.org. Log on, then click on "Foundation."

You will be able to discover a virtual encyclopedia of information on how and what to give; learn about the tax and income benefits of the various kinds of planned gifts; and even calculate your income tax deduction for a specific plan.



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