

CHARITABLE REMAINDER TRUST BENEFITS

There are a number of reasons why you might wish to create a charitable remainder trust.

1. Capital Gains Tax Savings

When you transfer your appreciated asset to a charitable remainder trust, you avoid any capital gains tax on the sale. This is because the trust is tax exempt and can sell your asset tax free.

2. Increased Income

The trust reinvests the proceeds from the sale of your asset typically in an income-producing portfolio of stocks and bonds. In most cases, the goal is to invest for growth. Assuming the trust return exceeds what is paid out, the trust may grow and so your income could increase over time.

3. Charitable Tax Deduction

You receive a charitable income tax deduction in the year the trust is created. Your deduction can be used to reduce your income taxes this year.

This information is not intended as tax, legal or financial advice. Gift results may vary. Consult your personal financial advisor for information specific to your situation.

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PLANNED GIVING BRIEF

HOW TO SELL YOUR APPRECIATED ASSETS TAX FREE

WHAT IS A CHARITABLE REMAINDER TRUST

A charitable remainder unitrust is a special type of trust that you can transfer your stock or real estate to and receive income based on the value of the trust assets. The income can be paid to you, you and your spouse or another person for life or for up to 20 years. Once all income has been paid, the trust distributes what remains to your church to help fulfill its mission.

A Charitable Remainder Trust for James

James was nearing retirement and owned \$100,000 in publicly traded stock. He purchased his stock many years ago for \$10,000. James wanted to sell his stock but faced a potential \$21,420 capital gains tax (23.8% multiplied by his \$90,000 gain). James had been a faithful supporter of charity and learned from his advisor about the benefits of creating a charitable remainder unitrust. He decided to transfer his stock to fund the unitrust and avoid paying capital gains tax. James likes the fact that he received a charitable tax deduction and income for retirement.



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