

Charitable Remainder Trust

You transfer cash or property to a trust that pays income for your life or a term of years. The remainder goes to ministry.

The Need

You desire to convert appreciated property that produces little or no income into a productive asset without paying capital gains tax on the sale of your property.

The Solution

You contribute appreciated property to a charitable remainder trust that will sell the property tax free and make payments for your lifetime or a specified term of years. The trust may pay income to multiple beneficiaries.

The Benefits

- **Bypass Gain** The trust sells your property tax free.
- **Increased Income** The trust pays you a percentage of its value.
- **Tax Deduction** You receive a current federal income tax deduction.

The Details

You transfer cash or appreciated property to the charitable remainder trust (CRT). The CRT is a tax-exempt trust that can sell the property without paying capital gains tax.

Duration

A CRT can last for the lifetime of one or more beneficiaries or for a specified term of years. This type of trust may, instead, be funded at your death from your estate, pay an income to your heirs, and leave a gift to ministry.

Annuity vs. Unitrust Payout

A charitable remainder annuity trust (CRAT) pays a fixed dollar amount each year. A charitable remainder unitrust (CRUT) pays an amount equal to a percentage of the trust value at the beginning of each year.

Taxation of Payouts

Most CRT payouts are taxed as ordinary income.

To learn more about how a Unitrust can benefit you and ministry contact:

Les Godard
Gift Planning Counselor
(School or Congregation)
Ph 563-529-4953

To

Enjoy income and tax benefits today, provide for family and ministry tomorrow.

Since 1969, Americans have used Charitable Remainder Unitrust, to benefit themselves, their families and, ultimately, charity. Simply put, you transfer assets into a Unitrust created with The LCMS Foundation, and the Unitrust makes payments to you. This transfer often allows you to increase your income and enjoy tax advantages. When the trust terminates, the remainder of its value is distributed to your designated ministries.

Unitrusts can provide you with increased income and reduced taxes while preserving more of your estate for people you love and ministries you care about. Through a Unitrust, you can:

- Receive regular payments
- Reduce taxes
- Provide for loved ones
- Make a future gift to strengthen your favorite ministry

As a caring Christian, you want to use your financial blessings to enjoy financial security and provide for your family and your favorite ministries. A Unitrust is a flexible tool you can use to increase your income NOW while laying the groundwork for a future gift to ministries that re important to you.

Benefiting you and ministry: one example

Twenty years ago, Carol and Mike purchased \$20,000 worth of stock. The stock steadily increased in value and is now worth \$100,000. But it produces a relatively low yield, about \$2000 annually.

Carol and Mike, who are both 75, have three goals with their gift:

- Increase the income produced by the \$100,000 stock portion of their portfolio
- Minimize (or eliminate) any capital gains tax they would incur by selling the stock
- Make a lasting gift to their favorite Lutheran Church Missouri – Synod ministries

If the couple sells the stock to reinvest it and increase their return, they face a capital gains tax of about \$12,000. Instead, their LCMS Foundation Gift Planning Counselor suggests they transfer the stock into a Unitrust. Because that transfer ultimately benefits ministry, Carol and Mike pay no capital gains tax. They also enjoy an immediate charitable tax deduction.

And their income increases! Carol and Mike now get about \$5000 each year which is \$3000 more than they had been receiving from their stock. That's possible because after the couple transferred the stock to the LCMS Foundation, it was sold and reinvested without a reduction for capital gains taxes.

Carol and Mike will receive payments for the rest of their lives. At their deaths, they know that their Unitrust's remaining value will be transferred to their favorite LMCS ministries.

The LCMS Foundation serves you!

The LCMS Foundation is the only Lutheran organization that offers you comprehensive charitable expertise and customized services for your Lifetime Plan for Giving™.

Your LCMS Foundation Gift Planning Counselor can answer your questions and help you establish your own Unitrust or other gift planning tool.

To learn more about how a Unitrust can benefit you and ministry contact:

Les Godard
Gift Planning Counselor
(Congregation or School)
Ph 563-529-4953
Les.godard@lfnd.ort