



CHARITABLE REMAINDER TRUSTS



Make a gift of cash, publicly traded securities, mutual funds or real estate and, in turn, receive a stream of income for life or a term of years.

Through a charitable remainder trust, your gift assets are converted to ongoing income payments to you and/or another for a lifetime, term of up to 20 years, or both. At the end of the trust, the remainder is directed to your charitable fund at the Foundation to provide permanent support to your favorite charities or causes.

The most commonly used form of charitable remainder trusts is the **unitrust**. With a unitrust, you can make multiple gifts of cash, publicly traded securities and/or mutual funds. A special form of unitrust is available for illiquid assets such as real estate and closely held stock. Your income payments are calculated annually using a set percentage rate and the value of your trust's assets. Gift Minimum: \$100,000 / \$200,000 for gifts of real estate or closely held stock

In some instances, an **annuity trust**, where you make a one-time gift and receive ongoing fixed-income payments, may be appropriate. Your gift to the trust can be cash, publicly traded securities or mutual funds. Gift Minimum: \$50,000

BENEFITS TO YOU, THE DONOR

Receive an income. You, your spouse, family members or friends can be named as income recipients. Quarterly income payments can be made for a lifetime, term of years, or both.

Reduce your taxes. You receive an immediate charitable income tax deduction in the year the gift is made. Unused charitable deductions can be carried over an additional five years.

For gifts of securities or real estate owned for more than a year, you bypass capital gain taxes on the appreciated value. The trust sells appreciated assets tax free and 100% of the net sale proceeds are reinvested in the trust.

Lower your estate taxes. By taking appreciated assets out of your estate, you'll reduce the size of your estate and possibly your tax liability. (There could be estate/gift tax consequences if someone other than the donor or the donor's spouse is named as an income recipient.)

BENEFITS TO YOUR FAVORITE CHARITIES OR CAUSES

Long-lasting support to charities or causes. At the end of the trust, the remaining value of the trust is directed to your charitable fund at the Foundation. Your fund is invested and managed to provide annual grant distributions to your recommended charities or causes.

FOR MORE INFORMATION

For more information, contact the Lutheran Community Foundation at 1-800-365-4172. We can assist you by providing a personalized illustration that describes the income and tax benefits you could receive. There is no charge and you are under no obligation.

You may also wish to visit www.TheLCF.org to further explore rates and payment information using the Foundation's online Gift Calculator, and other giving options using the Giving Options Tool.

DONOR STORY

The Donors. A couple, ages 64 and 63, wanted to use appreciated stock to create income and create a legacy of family giving.

Their Gift. They established a charitable remainder unitrust with appreciated stock worth \$100,000 with a cost basis of \$20,000. Based on their ages, gift assets and current IRS discount rate, the donors will receive variable income of 6% of the trust annually.

They received an immediate charitable income tax deduction of \$26,792 and bypassed capital gains tax, saving them another \$12,000. Upon their deaths, the trust remainder will be directed to a charitable fund with the donors' two children serving as fund advisors. Their children and grandchildren will continue their legacy of giving by recommending grants to the families' favorite charities far into the future.

The dollar amounts in this example are an estimate. Charitable deductions are based in part on the prevailing IRS discount. This example reflects a prevailing rate of 4.2%.

LUTHERAN COMMUNITY FOUNDATION

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Charitable giving can result in significant tax, legal and financial consequences. Because the Foundation cannot give tax or legal advice, you are strongly encouraged to consult with you personal and legal advisors.

To ensure compliance with IRS requirements, be aware that any U.S. federal tax advice that may be contained in this brochure is not intended or written to be used, and cannot be used, for the purpose of (i) avoiding penalties under the Internal Revenue Code or (ii) promoting, marketing and recommending another party to any transaction or matter addressed herein.



YOUR PARTNER IN GIVING

The Lutheran Community Foundation is
a public charity working nationally
to help people give to their
favorite charities and causes.

WHAT WE OFFER

- Breadth of giving options, including bequests, cash, stock, real estate, life insurance, or charitable gift annuities and charitable remainder trusts that first pay a lifetime income to the donor or another party.
- Charitable fund options to match your charitable interests, including donor advised funds and unrestricted funds.
- Flexibility to recommend Lutheran and/or non-Lutheran charities, and the option to change charities if you wish.
- Maximum tax benefits based on when and how your gifts are made. Gifts can be made during a donor's lifetime or at the time of death.
- Donor-centered programs and online services to help you reach your charitable goals.