

Planning for the future — for you and your community

Charitable Remainder Trust



Giving through a Charitable Remainder Trust allows you to receive income for the rest of your life, knowing that whatever remains will benefit our community.

How it works

- n You transfer cash, appreciated securities, real estate, or other marketable assets into an irrevocable trust with the help of your attorney.
- n You receive an immediate charitable tax deduction for the charitable portion of your trust.
- n The trust pays you or other designated beneficiaries income for life or a defined term of up to 20 years.
- n Upon the beneficiary's death or after the defined term, the remaining assets in the trust transfer to the Community Foundation of the Great River Bend.
- n We establish a fund in your name, in the name of your family or business, or in honor of any person or organization you choose.
- n We handle all the administrative details after the fund is established, awarding grants to charities in the name of the fund.
- n Your gift can be placed into an endowment that is invested over time. Earnings from your fund are used to make grants addressing community needs. Your gift is a permanent source of community capital, helping to do good work forever.

A gift that pays

James Assad was retired and in his late seventies. The stocks he owned had high market values, but they paid limited dividends. In addition to increasing his personal income, James was interested in giving to the community in which he had lived his entire life, so he decided to transfer the securities to a Charitable Remainder Trust that eventually would create a fund with his local community foundation. "The income I receive from the trust is more than what I was collecting in annual dividends — by thousands of dollars. If I would have sold the stocks, I'd have paid a fortune in capital gains tax," says James. He also receives an immediate charitable deduction and pays less tax on the trust distributions. "Plus," James says, "I know that when I pass, I've done something good." In time, James' gift will create the Assad family Unrestricted Fund to address ever-changing community needs.



Community Foundation

Great River Bend

Charitable Remainder Trust

Ten reasons to give through the Community Foundation

one

We are a **local organization** with deep roots in the community.

two

Our professional program staff has **broad expertise** regarding community issues and needs.

three

We provide highly **personalized service** tailored to each individual's charitable and financial interests.

four

Our funds help people **invest in the causes** they care about most.

five

We accept a wide **variety of assets**, and can facilitate even the most complex forms of giving.

six

We partner with **professional advisors** to create highly effective approaches to charitable giving.

seven

We offer maximum **tax advantage** for most gifts under federal law.

eight

We **multiply the impact** of gift dollars by pooling them with other gifts and grants.

nine

We build **endowment funds** that benefit the community forever and help create personal legacies.

ten

We are a **community leader**, convening agencies and coordinating resources to create positive change.

More benefits

You may choose to receive a fixed income or one that changes with market conditions – income from the Charitable Remainder Trust you establish may add up to more than interest and dividends you earned from holding the assets. You can use it to supplement your own lifestyle or that of someone else: a sibling, a dependent parent, a friend, or a former employee.

A portion of the income may be a tax-free return of principal, while some is taxed as ordinary income or capital gains. The amount of income paid and the tax deduction received depend on the age of the recipient and the current interest rate (as established by the Internal Revenue Service).

You can pick one of these options for your Charitable Remainder Trust:

- Annuity trust pays you a fixed dollar amount.
- Standard unitrust pays you an amount equal to a fixed percentage of the net fair market value of the trust and is recalculated annually.
- Net income unitrust pays you the lesser of the fixed percentage specified by the trust agreement or actual trust income; some net income unitrusts allow you to make up deficiencies in past years.
- Flip unitrust is a net income unitrust that converts to a standard unitrust upon a triggering event, such as the sale of an asset used to fund the trust.

For more information and ideas on ways to integrate Charitable Remainder Trusts into your financial planning, estate planning or tax planning, ask your financial advisor or contact the Community Foundation of the Great River Bend.

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