

# CHARITABLE REMAINDER TRUSTS

Give to share God's Word and receive income for life.

Charitable remainder trusts are powerful, tax-wise gifts that enable you to support Love Worth Finding and share biblical truth while securing lifetime payments for you and your loved ones.



## Benefits of a Charitable Remainder Trust

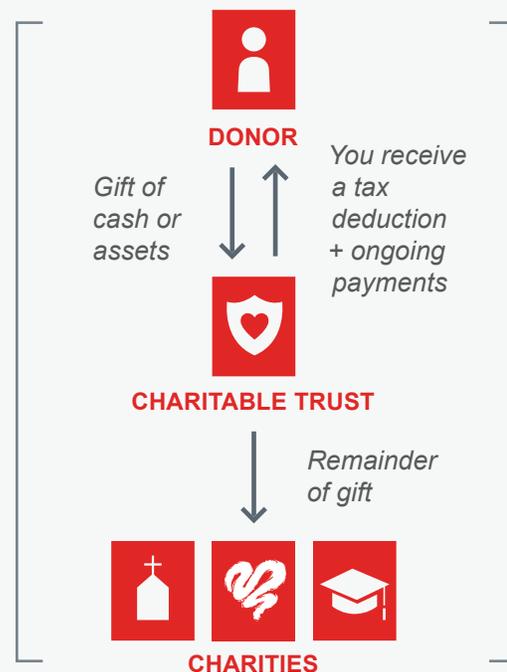
- **Life income.** Make a gift that also provides you and your loved ones with ongoing payments.
- **Tax deduction.** Receive an immediate income-tax deduction for a portion of your gift.
- **Preserved value.** Gift appreciated assets instead of selling them and avoid the immediate tax bill. The full value of your gift will be invested for the benefit of your family and for God's Kingdom!
- **Payment options.** Select the annual payout rate and frequency of payments.

## How It Works

1. Make a gift into a charitable trust. Contributions may include cash, publicly traded securities, some types of closely held stock, real estate and other non-cash assets.
2. Receive ongoing payments for one or more individuals, including yourself.
3. Remaining assets are distributed to Love Worth Finding and to any other favorite charities upon termination of the trust.

## Charitable Remainder Trust

### How It Works



## Charitable Remainder Trust vs. Sale of Appreciated Asset

### Example Comparison

Sam, 70 years old, owns a parcel of land that he originally purchased for \$50,000 (tax cost basis). It is now worth \$250,000.

#### Proceeds from Sale of Asset

Sale	\$250,000
Cost Basis	\$50,000
Capital Gain Tax*	-\$30,000
Net Proceeds	\$220,000

**Annual Payments in Year One** **\$11,000**

Assuming 5% return

\* Assumes 15% Capital Gain Tax Rate

#### Charitable Remainder Unitrust

Gift	\$250,000
Charitable Deduction**	\$131,195
Capital Gain Tax	\$0
Net Proceeds in CRT	\$250,000

**Annual Payments in Year One** **\$12,500**

Assuming 5% payout and 5% return

\*\* Assumes Annual Federal Rate of 3.0%

In addition to the increased income, Sam receives tax savings in the year of the gift from the charitable deduction. If the deduction cannot all be used in year one, it can be used as a deduction for up to five additional tax years.

## Lifetime Income Options

You will select your annual payout rate at the time the trust is created. The minimum percentage must be at least 5%, and the maximum allowable percentage depends on your age or the term of the trust. Choose from two payout options...

With a **charitable remainder unitrust** (CRUT) you'll receive **variable payments** based on a fixed percentage of the value of the assets in the trust, as computed on January 1 of each year.

A **charitable remainder annuity trust** (CRAT) provides **fixed payments** year after year, based on a specified percentage of the value of the assets originally placed in the trust. The amount does not vary, even if the value of the assets in the trust increases or decreases.

## Using Barnabas Foundation as a Trustee

Charitable remainder trusts require strict adherence to accounting, investment and reporting requirements. Love Worth Finding partners with Barnabas Foundation to provide these services.

Since 1976, Barnabas Foundation has helped thousands of individuals and families give more effectively to the ministries close to their hearts. They have the experience and expertise to act as trustee for your more complex gift situations, including charitable remainder trusts.

Barnabas Foundation will help you identify the best giving options for your situation, in a way that's clear and easy to understand. And they'll help you do the most good — for your family and for God's Kingdom — through efficient, tax-wise giving.

## LEARN MORE

Explore how charitable remainder trusts can help you support Love Worth Finding to share the truth of God's Word while securing income for life. To learn more, call Bob Dawkins or Sam Cox at 800-274-5683 or email [partners@lwf.org](mailto:partners@lwf.org).