

EXAMPLES OF HOW THE CHARITABLE REMAINDER TRUST WORK

- Walt and Sandy set up a charitable remainder trust with the ELS Foundation to assist with their grandchildren's Christian education expenses (Elementary through College). Their trust provides an income stream to supplement their grandchildren's education, allows for a charitable tax deduction for Walt and Sandy and provides an irrevocable gift in support of their local Christian elementary school as well as missions.
- Gwen, a single woman with no children, transfers stocks and bonds into a charitable remainder trust with the ELS Foundation after she didn't want to oversee her investments in retirement anymore. She received a quarterly check from the Foundation along with a charitable tax deduction. She has up to five years to fully use her deduction. She named her church and foreign missions as beneficiaries of the remainder upon her death.
- Fred lost his wife a few years back and decided to set up his tax deferred annuity accounts to flow into a testamentary charitable trust. The trust creates an income stream for their children for a period of 10 years, fully replacing the value of the asset, as a gift to his children. The remainder goes to the Lord's work to establish Christian schools across America.

For a personalized, no-obligation gift illustration, please contact Giving Counselor Dan Basel at 507-344-7311.

The information contained here is not intended as legal advice. For legal and tax advice the Synod Foundation urges you to consult an attorney or tax professional. Figures cited in the examples in this brochure are for hypothetical purposes only. References to estate and income taxes include federal taxes only. State taxes and/or state law will vary.

"The Evangelical Lutheran Synod Foundation is established for the purpose of soliciting gifts, other than for current operating funds, for the synod, its agencies, and as requested, for its congregations and for the theological seminary, college, and other institutions related to the synod. The foundation is to encourage the making of wills, gift annuity agreements, trust agreements, insurance contracts, etc., under which the synod or any of its parts or agencies may become an actual or contingent beneficiary."—(Adopted by the Evangelical Lutheran Synod, 1969.)



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Charitable Remainder Trusts

Making God's plan our plan



**Estate Planning
Office**
**Evangelical Lutheran
Synod Foundation**

Tell of Jesus & His Love

*"The wisdom of the prudent is to give thoughts to their ways."
Proverbs 14:8*

Leaving a legacy through Charitable Remainder Trusts

At the end of our life every one of us becomes a major donor. Think of it, when we pass away, everything we own, all our net worth, even our most prized possessions, suddenly becomes the property of somebody else. Of course, as Christians fully trusting in the salvation that is in Jesus Christ, we know everything we have belongs to God. That is why it is natural for the Christian to plan an orderly transfer of property so that it will benefit our families and yet also glorify the Giver of all, our Lord.

The truth is, if you don't choose how you want to distribute your property and net-worth the state will. **In case you didn't know, they will not choose the church.** That is why planned giving and estate planning is so vital for both your family and your church.

This brochure is dedicated to introducing you to at least one of the tools we have to pass on a lasting legacy. It is a wonderful tool called a Charitable Remainder Trust.

WHAT IS A CHARITABLE REMAINDER TRUST?

A charitable remainder trust is created when you transfer cash, securities (stocks, bonds, mutual funds), real estate, or other property to your charitable trust, but keep a specified income interest - usually for life. When the trust ends your remaining interest (property in the trust) passes to your designated beneficiaries such as your church and/or synod and/or another ministry of choice.

HOW DO I KNOW I CAN MAKE A DIFFERENCE?

The Evangelical Lutheran Synod for maintains seven world missions. It supports an average of 5 to 7 home missions at any one time. What makes this possible? Legacy giving is a major part of this work. Without it we would be far less involved in missions.

Numerous congregations are able to continue and/or expand ministries due to generous legacy giving. Be sure to ask your giving counselor for more examples.

WHAT ARE THE FEATURES OF A CHARITABLE REMAINDER TRUST?

- **Gift size: Minimum of \$100,000**
Gift annuities start at \$5,000
- **Irrevocable:** Once established, charitable trust cannot be revoked. Thus you get a substantial *charitable deduction

** Please note an exception is if trust is funded with depreciated property that has a small or no basis. However, funding a trust with donated property does not count as income. This can be even better than a deduction.*



- **Individually Tailored for your needs:** You can choose your desired payout rate, with certain parameters. Many choose a rate between of 4-6%.

WHAT ARE THE BENEFITS?

- **Lasting Legacy:** You can also create designations that provide for special needs of your heirs (i.e. College tuition). When the trust ends, the balance will be used to continue the Lord's work in your congregation or synod.
- **Tax Savings:** You receive an immediate charitable tax deduction for a portion of the gift amount. Capital gains tax on appreciated property is bypassed at the time of transfer, leaving the entire value of your assets to create future income. Depreciated property may not have a book basis, therefore if sold separate from a charitable trust, it is all income. and will likely jump you to a higher tax bracket. Save taxes - set up a CRT.
- **Payments:** You, or those you designate, receive trust payments. These can be a fixed or variable amount.
- **Increased cash flow:** By funding your trust with low-paying assets, you might even increase your cash flow by making a gift.
- **Peace of Mind:** Free yourself from investment worries by securing professional management of your assets.
- **Flexibility:** You can choose several income beneficiaries and the length of the trust term.

Call for an illustration today
507-344-7311