



# The Sum of Objectives Realized

**CHARITABLE  
REMAINDER TRUSTS**



## So much for math class!

During those school days of long ago, most of us learned that subtraction would result in a Remainder while addition would create a Sum.

Well, it turns out that our trusted math teachers must not have known about a planning tool that can not only add to the benefits your family receives from certain assets but also can multiply the impact of assets in the future.

Since the late 1960s, families and individuals have been utilizing the Charitable Remainder Trust to make particular types of assets (especially highly appreciated, low-yield assets) have impact far beyond what conventional formulas might otherwise suggest.





## Basics of the CRT

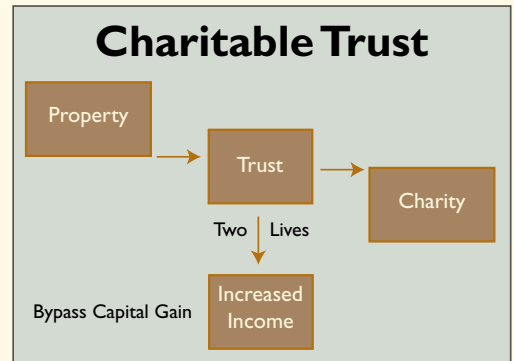
Our illustration tells the basics of the story. In short, when the decision is made to transfer a qualifying asset into a Charitable Remainder Trust (CRT), up to 100% of the capital gains tax is bypassed and the donor is entitled to a charitable income tax deduction.

These tax benefits are possible because this transfer represents an eventual *gift to charity*. In recognition of this irrevocable charitable gift, our tax laws reward the donor. And the benefits begin to add up!

After the transfer of the CRT, the trust makes regularly scheduled payments to the individual or family—often resulting in an increase in income.

For example, consider a \$200,000 asset that has been producing 2% income (\$4,000 each year). Thanks to the CRT, the full \$200,000 is repositioned to generate a higher return, providing a 6% income stream or \$12,000 annually.

For a husband and wife, both 65 years of age with a 25-year life expectancy, this adds up to an *increase in income of more than \$200,000 over the life of the donors* (increase of \$8,000 x 25 years).





#### Contact information

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The charitable nature of the CRT is realized when, upon the death of both husband and wife, the trust passes to the specified charity or charities. Assuming wise management of the trust principal over the years, this remainder can easily exceed the original value of the trust.

So, when added up, the Charitable Remainder Trust can save current tax dollars, generate an increase in current income and result in a substantial gift to charity. Not exactly the result of a process of subtraction...right?

For more information of how a Charitable Remainder Trust might multiply the impact of specific assets and help you realize the sum of your objectives for family and for charity, we invite you to complete the reply form attached and return it to our office. We have professionals trained to assist you in any way possible.

*This information is provided as an educational service. Personal advisors should always be consulted in the planning process.*

## More information



I have reviewed your brochure on *Charitable Remainder Trusts* and

- I would like to speak with someone who can provide additional information.
- I would like to receive more information on other charitable tax planning options.

Name: \_\_\_\_\_

Street: \_\_\_\_\_

City: \_\_\_\_\_

State/Zip: \_\_\_\_\_

Home Phone: \_\_\_\_\_

Work Phone: \_\_\_\_\_

E-mail: \_\_\_\_\_

*(Please complete and return to the address on the back panel.  
All inquiries are treated in complete confidence.)*



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