

Giving Charitably to Solve a Problem



Although the primary reason for giving supports the mission and work of Legacy Endowment Community Foundation (LE) which improves local our communities and region, charitable gifts can provide additional benefits, such as...

Making a Gift to Assist a Loved One

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| Provide financial aid for a sibling | <i>Charitable Remainder Trust (CRT) payable to sibling, then to donor</i> |
| Tax-wise support for a parent | <i>Appreciated assets used to fund a Charitable Gift Annuity (CGA) for the parent</i> |
| Provide for "special needs" beneficiaries | <i>CRT pays to a special needs trust for entire life of disabled individual</i> |
| Helping old and young with an IRA | <i>Testamentary (bequeathed) CRT or CGA funded by IRA</i> |
| Supplement grandchildren's college funds | <i>Net income 20 year CRUT w/flip triggered by college admittance</i> |

Augmenting Retirement Savings

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| The retirement Trust | <i>Net income Charitable Remainder Unitrust (CRUT) w/flip triggered by age of beneficiary</i> |
| Receive annual income from LE later in life | <i>Deferred payment gift annuities (DCGA) or a retirement CRUT</i> |

Achieving Estate Planning Objectives

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| Time-release estate distributions | <i>Charitable lead trust paying income to LE, then corpus to children when older and better able to manage. Combine with a term of years CRT that terminates when the lead trust's corpus is distributed to children.</i> |
| Influence heirs' future behavior | <i>CRT w/provisions ending it early or paying income to alternate beneficiary upon happening of an event; marriage, divorce, sobriety, etc.</i> |
| Reduce taxes on savings bonds | <i>Testamentary CRT or CGA funded by savings bonds</i> |
| Guard against a failed marriage | <i>Two-life CRUT w/right to terminate spouse's income interest via donor's will.</i> |
| Keep "bequests" private | <i>Deferred CGA funded while alive removes assets from estate</i> |
| Leave a legacy and provide for an heir | <i>Designate an heir as the beneficiary of a CGA or CRT</i> |
| Lengthen support to a beneficiary of an IRA | <i>Testamentary CRT or CGA funded by IRA paying income for beneficiary's life rather than shorter period if they inherit IRA.</i> |

Other Goals Gifts Can Advance

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| Immunize assets from lawsuits | <i>Charitable Trust owns the assets - not the beneficiary</i> |
| Exit the stock market economically | <i>Fund CRT or CGA w/appreciated stock</i> |
| Reduce taxes on profit sharing plan distributions | <i>If funded w/employer's stock, take a lump sum distribution taxed on stock values at contribution to plan, contributing this appreciated stock to fund a CRUT.</i> |
| Cash in on collectibles | <i>Give to charity funding CRT; deduction based on cost not fair market value; avoids higher capital gains rate on collectibles.</i> |
| Relieve landlord burdens | <i>Donate property to fund a CRUT which provides lifetime income to the donor and/or beneficiary</i> |
| Revive "dead" savings bonds | <i>Bonds no longer paying interest can be sold w/proceeds used to acquire CGA; opt for lower payout % for larger deduction to partially offset the income on bond sale.</i> |

For additional information contact:

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All of the examples above should be considered in collaboration with the donor's independent legal and financial counsel. Legacy Endowment... The Community Foundation cannot provide tax or legal advice.