



Charitable Remainder Trust

At a Glance— Benefits of creating a charitable remainder trust

- Can provide a current ongoing income source or income for your heirs
- Can provide tax relief
- Enables you to give to heirs and give to ministry

Charitable remainder trusts are legal instruments that enable you to gift cash, property or appreciated assets and generate a stream of income for you during your lifetime or for your heirs once you pass away. The assets placed into a charitable trust are invested. The income generated enables a predetermined percentage to be given annually to you for life or to your heirs for a set number of years.

Through gifting, you receive a current charitable tax deduction and may bypass capital gains. When the term of the charitable remainder trust has ended, the remaining principal is distributed to the ministries you have selected.

The two most common types of charitable remainder trusts are:

1. A *charitable remainder annuity trust* pays a fixed dollar amount each year based upon the percentage value of the initial gift. It may only be funded with a one-time gift. It cannot be funded with real estate.
2. A *charitable remainder unitrust* pays a percentage of the trust annually and may accept additional funds over time. It can be funded with real estate. The charitable remainder unitrust pays a percentage of the market value to you or the beneficiaries you name. The trust assets are revalued annually.

To learn more about charitable remainder trusts, please consult with your Evangelical Lutheran Church in America gift planning professional or your legal advisor.

The examples and information provided are for illustrative and educational purposes only and should not be considered tax or legal advice. Please consult with your tax or legal advisor about proceeding with your gift plan.

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