

## 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 can actually multiply the impact of assets in the future.*

*Since the late 1960's 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.*

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

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The Sum of  
Objectives Realized



Charitable Remainder Trusts

## 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 to 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

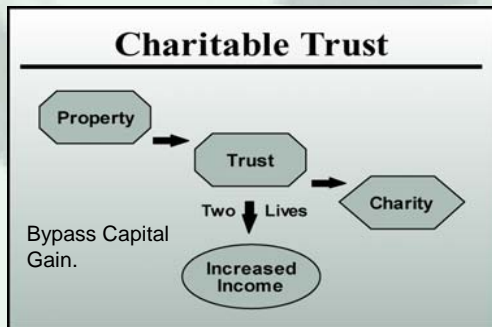
(\$4,000 each year). Thanks to the CRT, the full \$200,000 is repositioned to generate a higher return, providing a 6% income stream -- or \$12,000 annually.

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).

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 on 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.



## 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 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 indicated on the back panel. All inquiries are treated in complete confidence.)*