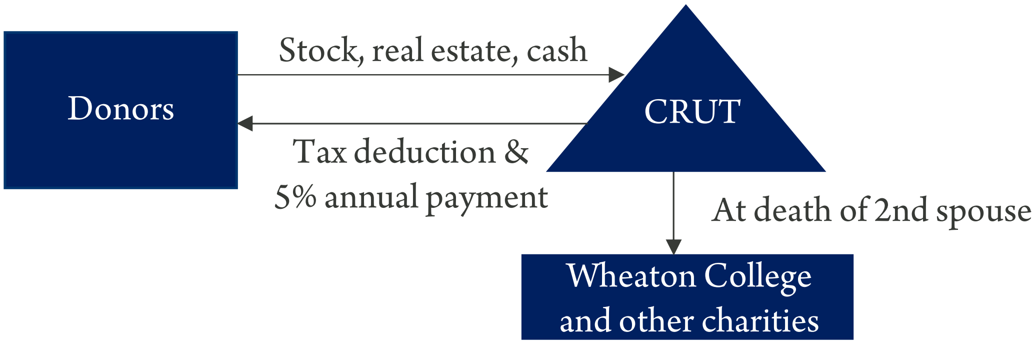
Charitable Remainder Unitrust "During Life"

WHEATON COLLEGE
For Christ & His Kingdom

Wheaton College Gift Planning Services

Thinking about selling an appreciated asset but concerned with capital gains tax? Or maybe you already sold an asset, and you wish to save taxes and create an income flow to plan for retirement. A charitable remainder unitrust may fit your needs. It offers lifetime income, substantial tax advantages, and the opportunity to make a significant charitable gift.



How a Charitable Remainder Unitrust Works

1. Transfer assets to fund a Wheaton College charitable remainder unitrust (CRUT).
2. If funding with appreciated assets, the assets will be sold within the CRUT, avoiding the immediate capital gains tax.
3. Wheaton College Trust Company, as trustee, reinvests the assets in a diversified portfolio, and pays you (and possibly a second person) income for life, or for a term of up to 20 years.
4. You receive an immediate income tax deduction for the charitable portion of the funding in the year you transfer assets to the CRUT.
5. Wheaton College (and possibly other charities) benefit from the remainder after all the trust payments have been made.

Example: a $1M CRUT paying at 5% will pay $50,000 per year (assuming no growth or decline in the trust)

Steps to Initiate

- Wheaton College Trust Company provides sample language for establishing a CRUT.
- Your attorney reviews the sample language and prepares the CRUT.
- You determine the asset you will use to fund the CRUT and initiate funding of the CRUT.

Various Funding Options

- Cash
- Appreciated stock, mutual funds, ETFs, etc.
- Privately held stock
- Appreciated real estate: personal residence, vacation/rental home, investment property, farmland, etc.

Charitable Remainder Unitrust Testamentary (at death)

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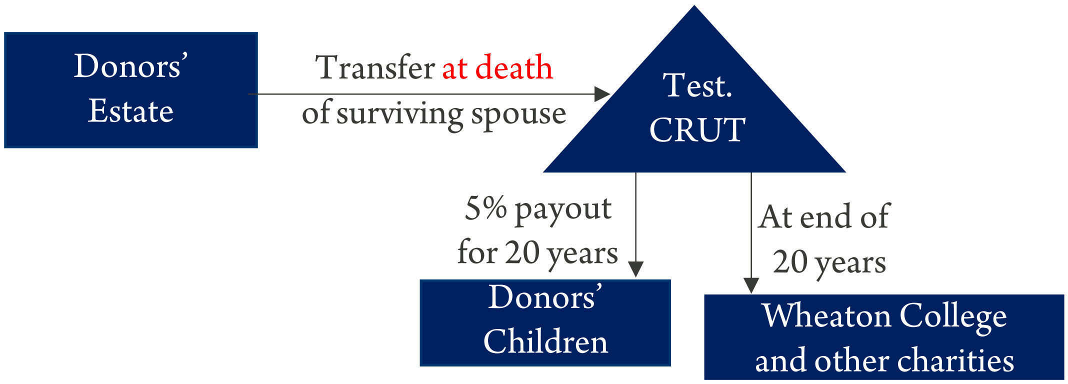
The "*Give It Twice Trust*"

Do you wish to provide your children with an income flow, rather than a larger lump sum inheritance? A **testamentary CRUT** allows you to do this and benefit charity as well. The CRUT is funded after death with estate assets and pays an income flow to your chosen beneficiaries for up to 20 years. The remainder will support important Kingdom work at Wheaton College – and possibly other charities, too.



Illustration

- The CRUT is funded with $1M from your estate at your passing.
- At a 5% rate, the CRUT will pay approximately $50,000 to the beneficiaries in the first year.
- Assuming neither growth nor decline in value, the CRUT will pay a total of $1M to your loved ones over the 20-year period ($50,000 per year for 20 years = $1M)
  - Note: Assumptions are based on the CRUT's value remaining steady. Actual market conditions will vary. Payout amount is based on a fixed percentage of the CRUT's value (revalued annually).
- After 20 years, Wheaton (and, if desired, other charities) receive a significant gift – possibly equal to the original funding amount. Thus, the "*Give it Twice Trust!*"

Benefits

- Payments to loved ones for up to 20 years (or possibly for the beneficiary's lifetime, depending on age).
- Estate assets are invested and grow tax-free during the CRUT's term.
- Wheaton College Trust Company provides professional trust management services.
- Make a gift to Wheaton College, and if desired, to other charitable organizations.
- Your gift may be *designated* to a specific area at Wheaton College.

Funding with tax-deferred retirement account assets has added benefits. Since the *SECURE (Setting Every Community Up for Retirement Enhancement) Act* of 2019, most non-spouse inheritors must take all distributions within 10 years of the account owner's death, rather than over their life expectancy. Distributions are taxed at the recipient's income tax rate. By directing these assets to a testamentary CRUT, they remain in a tax-deferred environment for the period when an income stream is paid to the beneficiaries. *For more information or a personalized illustration, please contact us.*

The information herein is not intended as legal, tax, or financial advice. Please consult with your attorney, financial or tax advisor for advice specific to your circumstances.