Provided by Hesston College in association with Everence Foundation

Charitable Remainder Unitrust

Support for charity – tax savings, charitable deductions and income for you

A charitable remainder unitrust is an ideal way to turn your assets like real estate and securities into a cash gift without losing much of your gain to taxes – and support Hesston College at the same time. It is a particularly good gift plan option for making a donation of an asset that may take some time to sell.

How it works

Before you arrange a sale of your securities or real estate, you make a gift of the actual asset to Everence Foundation designated for Hesston College. You may give the entire asset or any percentage. The foundation finds a buyer for your gift asset and converts it to cash. We then provide you with income from your gift for the rest of your life as long as the trust generates income.

You benefit substantially with an immediate tax deduction, plus you avoid income tax on the amount your asset has increased in value since you purchased it, unless the Alternative Minimum Tax is involved.

And you get the satisfaction of knowing Hesston College will benefit from your generosity.

How to give a gift

Establishing a charitable remainder unitrust is easy. Everence Foundation's experienced representatives can help you transfer your real estate or securities to the foundation and designate Hesston College as the charity you would like to support. Everence Foundation handles the sale of your gift asset.

You can have your income from the trust divided among more than one person, and you can direct the eventual distribution of the trust principal among as many charities as you like.

Please keep in mind that gifts placed into a charitable remainder unitrust are irrevocable and cannot be withdrawn.

What Hesston College receives

Hesston College is delighted to receive funds through a charitable remainder unitrust. It ensures that we receive the gift you have designated. It also allows for anticipation of future donations.

Advantages

- **Receive lifetime income.**
- **Get an immediate tax deduction.**
- **Avoid capital gains tax.**
- **Minimize estate taxes.**

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HESSTON COLLEGE
START HERE, GO EVERYWHERE

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What you receive

Each year you receive payments based on an agreed-upon rate established when the trust is signed. The minimum payout rate is 5 percent and can be higher. In most cases, payments are made only when the trust earns income. As a general rule of thumb, we recommend the payout rate be no more than the decade of your age. For example, you might choose to be paid 5 percent if you are between the ages of 60 and 69; or 6 percent if you are between the ages of 70 and 79.

You also receive a charitable income tax deduction at the time you make the gift. Your exact deduction is based on your age and the payout rate of your unitrust.

A case study

To better understand how a charitable remainder unitrust works, here is a case study that shows how one couple might benefit.

Greg Sample, age 69, and Rachel Sample, age 71, donate an asset to Everence Foundation which is converted to cash and results in an investment of $100,000. They agree to a 5.25 percent payout rate. Assuming the trust earns 6.5 percent after service fee assessments, here is what they can expect to happen over their lifetimes.

Initial gift amount	$100,000
Charitable tax deduction	$ 40,394
Payout rate	5.25 percent
Earnings rate	6.5 percent
Joint life expectancy	21.8 years
Tax bracket	15 percent
Total income and tax benefits	$134,913
Ending estimated gift amount	$127,538

What this means is that Mr. and Mrs. Sample would realize nearly $135,000 in income and tax benefits during their calculated expected joint lifetime of 21.8 years, plus donating more than $127,000 to their favorite charities. That is over $260,000 in benefits from an initial donation of just $100,000!

Note: This information should be used only for preliminary guidance. Donors should consult their attorneys and accountants.

Act today!

Contact us and we'll show you exactly how a charitable remainder unitrust can work for you, and what tax savings, income tax deductions, and rate of return you would receive from the donation of your real estate or securities.