



CHARITABLE REMAINDER TRUSTS

Charitable remainder trusts create a unique opportunity for donors to use their resources in support of charitable organizations while retaining an income stream for their own needs.

Donors can establish a charitable remainder trust using cash or appreciated assets such as securities or real estate. The trustee can then sell any appreciated assets and invest the entire proceeds to produce income. Each year, the trust distributes a stated percentage of trust assets to the donors or other named beneficiaries during their lifetimes or for a specified period of years. Donors receive an income tax charitable deduction for the year the trust is established. At the end of the trust term, the remaining trust assets are transferred to the named charitable organizations, to be used in the manner designated by the donor.

A charitable remainder trust can provide donors with valuable tax benefits and a source of income during life. More importantly, donors experience the joy of knowing that at the end of their lifetimes, their gifts will be used for the continued support of beloved charitable organizations.



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Charitable remainder trusts can be used to help achieve multiple estate planning goals. For example, naming children or grandchildren as beneficiaries of a charitable remainder trust creates an opportunity to pass assets to future generations while also providing support for charitable causes. This type of trust can be established during life, or it can be created at death by including the trust in a will. For some individuals, creating a charitable remainder trust may help reduce federal gift and estate taxes.

The use of a charitable remainder trust in estate planning gives individuals the opportunity to support charitable organizations at a level never thought possible.

HighGround Advisors is proud to partner with First Baptist Church Universal City and the Enduring Love Foundation, offering investment management and gift planning services. For more information about our services, please contact us today.



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EVERY GIFT HAS A STORY:

RUTH

Ruth owns \$100,000 of stock in a large corporation. Currently, she is receiving dividends from her stock of \$2,000, or 2 percent of the stock's value. Ruth would like to sell the stock and invest it to produce a higher income, but to do so she would have to pay \$20,000 in capital gains taxes, leaving only \$80,000 to invest.

As an alternative, she could place the stock in a charitable remainder unitrust with HighGround Advisors as trustee, for the benefit of her church, First Baptist Church Universal City. After consulting with her advisors, Ruth selects a payout rate from the trust that fits her needs.

The stock is sold tax free within the trust, and the sale proceeds are then invested. Ruth will receive an income stream from the trust for the rest of her life. She will also receive an income tax charitable deduction in the year of the gift.