ATSU | A.T. Still University

FIRST IN WHOLE PERSON HEALTHCARE

Healthy Investments

For alumni and friends of A.T. Still University **FALL 2019**

IS A CHARITABLE REMAINDER TRUST **RIGHT FOR YOU?**

A major, unprecedented movement is underway in this country.

This statement should come as no surprise. What is surprising, however, is that this movement, known as the "great wealth transfer," is rarely discussed. And yet, it has significant and far-reaching consequences, as it represents the greatest transfer of wealth in the history of mankind.

In the U.S., it is estimated there will be a transfer of assets valued at $30 trillion or more over the coming decades. Many of us will participate in this movement through transferring wealth, being beneficiaries of this transfer or both. Are you ready?

While the most common tool for transferring wealth from an estate is a bequest in a will or living trust, research reveals that only four in 10 American adults have put either of these essential estate planning documents in place. A will or living trust is essential in directing how your wealth will be distributed after your lifetime. Without one or both of these documents,

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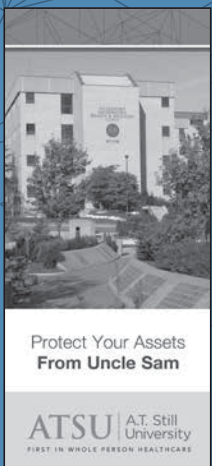
Contact ATSU Advancement for more information about whether a charitable remainder trust is right for you.



DON'T LET TAXES WHITTLE AWAY THE VALUE OF YOUR ASSETS.

For more information on how to avoid capital gains taxes and preserve your assets for those important to you, send for your complimentary copy of **Protect your assets from Uncle Sam.** Simply fill out and return the enclosed reply card.

RECEIVE LIFETIME PAYMENTS **IN EXCHANGE FOR YOUR GENEROSITY**

The many benefits of a charitable remainder trust

For many people, the appeal of a charitable remainder trust lies in its ability to work under a variety of circumstances. The following is a description of how this life income gift works.

How it works

- A charitable remainder trust pays a flow of income to you and anyone else you name, typically for your lifetimes or for a period of up to 20 years.
- You work with your estate planning attorney who creates the trust with assets of your choosing, and you decide how much it will pay you, within limits set by the IRS.
- You choose between two types of charitable remainder trusts. The most common is a unitrust, which pays you a variable amount based on a percentage of the trust assets as revalued each year. An annuity trust pays you a fixed sum each year.
- At the end of the trust term, the remaining assets inside the trust support ATSU.

How you benefit

- When you itemize your tax deductions, you receive an income tax charitable deduction for a portion of the fair market value of the assets placed in the trust.
- When you fund the trust with capital gain property, such as appreciated securities or other property owned for more than one year, you are not taxed up front on the capital gain. Your deduction is based in part on the full fair market value—not the lower cost basis.
- If you—or you and your spouse—are the only income recipients, the trust's value will not be taxable for federal estate tax purposes.
- You will be making a difference in the lives of ATSU students.

Contact us—at no obligation—if you would like to review the specifics of a charitable remainder trust.

THE BENEFITS OF **DONATING SECURITIES**

Would you like to make a tax-wise gift to ATSU? A gift of stocks, bonds, or other marketable securities that are worth more than what you originally paid for them may be just the gift for you.

Why does giving stock make sense?

When making a charitable gift of appreciated securities that you have owned for more than one year, you will receive a double tax benefit:

1. You are entitled to a federal income tax deduction based on the current fair market value of the securities, regardless of their original cost.
2. You will also be exempt from paying capital gains taxes on any increase in the value of the securities since you acquired them—taxes you would pay if you had otherwise sold them.

A tax or legal adviser can provide you with additional information about this way to support your favorite programs and causes. We would be happy to assist you as well. Just give us a call.

Learn more about donating securities at atsu.myplannedgift.org/appreciated-securities.

Get even more from your gift

You can use your securities to fund a charitable remainder trust or use them to establish a charitable gift annuity.* These options can generate reliable payments for you, family members, or friends for life while providing meaningful support to ATSU.

*Not available in all states or from all organizations

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RIGHT FOR YOU?

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the laws in the state where you reside will determine how your property will be disbursed. And while a will or living trust can easily be changed during your lifetime, a living trust offers benefits that a will does not, including greater privacy through the avoidance of probate.

A lesser-known and under-utilized estate planning tool is a charitable remainder trust. While charitable bequests are often part of a will or living trust, charitable remainder trusts offer unique benefits including income tax deductions, up-front capital gains tax avoidance, and even income creation. For example, a charitable remainder trust can provide you, or other named individuals, income each year for life (or a period not exceeding 20 years) from assets you give to the trust you create.

Consider this scenario. Susan, 75, wants to make a gift to ATSU but would also like more income in the future. Susan creates a charitable remainder unitrust with quarterly lifetime payments to her that equal six percent of the fair market value of the trust assets as revalued annually. She funds the trust with assets valued at $500,000.

Susan receives $30,000 the first year from the trust. Subsequent payments to Susan vary each year depending on the annual valuations of the trust assets. She is eligible for a federal income tax charitable deduction of $274,395* in the year she creates and funds the trust. This deduction saves Susan $101,526 in her 37 percent income tax bracket.

**Based on quarterly payments and a 2.4 percent charitable midterm federal rate. Deductions and calculations will vary depending on your personal circumstances.*

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