

Quick Start Guide

Here is a "Quick Start Guide" to the *About Giving's Interactive website*:

1. **Navigation:** The vertical menu on the left side of the page is the master navigation tool. Simply click on any title to be taken to that content page. Many of the content pages have additional links to Q&A pages and Advisor Content pages at the bottom of the content. Simply click any underlined and or highlighted link to visit that content page. Click the "Back" button on your browser bar to return to the previous page or click another menu item to advance to another page.
2. **Interactive Examples:** Many pages contain examples with gift planning calculations that permit personalization by the user. To personalize an example, simply move your cursor into the example box and instructions will appear. Read the Instructions and place your cursor on any underlined item and click your mouse button to change the value. Click "update" or press "Enter" and the entire example will be updated immediately. Repeat as often as you like. You can even e-mail your personal illustration to yourself or others. To see how that feature works click the "Share" button at the bottom of the example and enter the information for mailing. Try it now with a **charitable remainder annuity trust**.

Example

George, 75, decides to place \$250,000 in a **charitable remainder annuity trust**. The trust is funded with stocks that cost \$100,000 and are yielding 1%, or \$2,500, per year in income.

George decides to provide for lifetime payments from the trust of 5% of \$250,000, or \$12,500, each year regardless of the actual earnings of the trust. This will result in a substantial increase in income while making a significant charitable gift in the future.

To summarize the benefits received:

1. A fixed and predictable annual income for life of (5% of \$250,000) \$12,500.
2. No capital gains tax is due when assets transferred to trust are sold. (A portion of the annual payments may include some of the capital gain and may then be taxed at lower rates.)
3. An immediate charitable income tax deduction of over **\$122,878**. (The charitable income tax deduction may be carried forward for as many as five years if the deduction is more than can be used in the year of the gift.)

What about a **charitable remainder unitrust** and a comparison without entering any additional data? Change the above data in the annuity trust and the unitrust and comparison are automatically calculated below and ready to share with anyone, anywhere.

Example

If George had instead chosen a **unitrust** paying 5%, the first year the income would be 5% of \$250,000, or \$12,500. Next year, if the assets are worth \$275,000, the trust will pay \$13,750 (5% of \$275,000). If the value of the assets is less next year, the trust income will adjust by a corresponding percentage.

Like the charitable remainder annuity trusts, capital gains tax is avoided at the time the trust is created. The charitable remainder unitrust can be an excellent way to provide for more income today with the possibility of more growth if trust investments increase in value in future years.

To summarize the benefits received:

1. A lifetime income of 5% of the amount of the trust assets as valued each year. The first year he would receive 5% of \$250,000, or \$12,500.
2. No capital gains tax is due when assets transferred to trust are sold (A portion of the annual payments may include some of the capital gain and may then be taxed at lower rates)
3. An immediate charitable income tax deduction of over **\$149,930**. (The charitable income tax deduction may be carried forward for as many as five years if the deduction is more than can be used in the year of the gift.)

Description	Annuity Trust	Unitrust
Value of Asset Transferred to Trust	\$250,000	\$250,000
First Year Income	\$12,500	\$12,500
Annuity and Payout Rate	5%	5%
Type of Income	Level	Variable
Charitable Deduction	\$122,878	\$149,930
10% Remainder Test	Passed	Passed
5% Probability Test	Passed	N/A

The assumed date of transfer for this example is September 27, 2021. These examples have used the August 2021 IRC Section 7520 discount rate of 1.2% to optimize the charitable deduction.

NOTE: This calculation is provided for educational purposes only. The type of assets transferred, the actual date of the gift, and other factors may have a material effect on the amount or use of your deduction. You are advised to seek the advice of your tax advisors before implementing a gift of this type.

3. **Advisor Content Links:** Once you have clicked on "See advisor content about" link and opened the Advisor Content page, scroll down and click on any underlined link. You will immediately be taken to the source document referenced in the SharpeNet content. This document opens in a separate window, so you can open and reference several documents at the same time. To return to the SharpeNet site, just click the appropriate tab on your Web browser navigation bar.

Try it now by clicking on the link below for advisor content on charitable remainder trusts.

See advisor content about [charitable remainder trusts](#)

You now know how to run the features on this website that will dramatically reduce your time in the office and in the field.

Please contact us with any questions about your experience on this learning site or for more information about About Giving Web Services.

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