

Planned Giving | Charitable Remainder Trust

Are you looking for a way to give Acts 1:8 Ministry a significant gift? If you have built up a sizeable estate and are also looking for ways to receive reliable payments, you may want to check out the advantages of setting up a Charitable Remainder Trust.

HOW IT WORKS

A Charitable Remainder Trust is a trust agreement where the donor transfers assets to the trust and receives income on a periodic basis for a specified time period such as a set number of years or the lifetime of a beneficiary. When the trust ends, the remaining trust assets will be transferred to Acts 1:8 Ministry to fund the program(s) and/or service(s) specified by the donor.

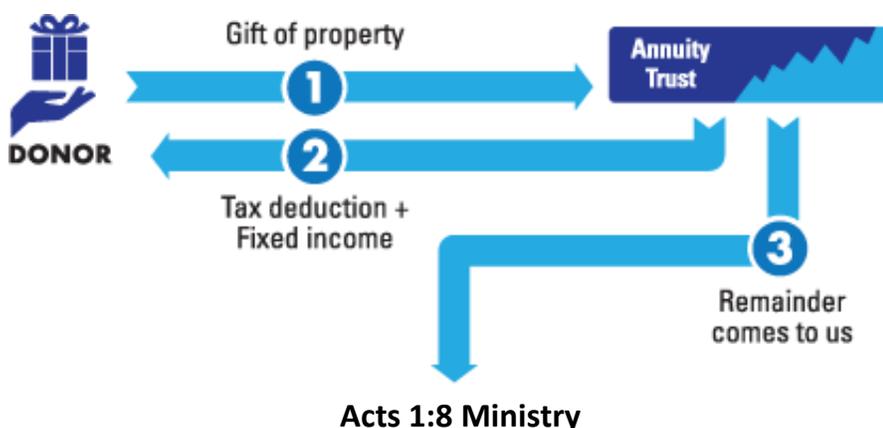
There are two ways to receive payments with a Charitable Remainder Trust:

1. The **Annuity Trust** pays you, each year, the same dollar amount you choose at the start. Your payments stay the same, regardless of fluctuations in trust investments. No additions are allowed after the initial set-up.
2. The **Unitrust** pays you, each year, a variable amount based on a fixed percentage of the fair market value of the trust assets. The amount of your payments is pre-determined annually. If the value of the trust increases, so do your payments. If the value decreases, however, so will your payments. You may make additional contributions as desired to this trust.

If you include Acts 1:8 Ministry in your plans, please use our legal name and Federal Tax ID:

Legal Name: Acts 1:8 Ministry, Inc.

Federal Tax ID Number: #16-1644133



BENEFITS

Benefits of a Charitable Remainder Trust include:

- A partial charitable income tax deduction
- Potential for increased income
- Up-front capital gains tax avoidance

FREQUENTLY ASKED QUESTIONS

Why should I consider making a gift that provides income to me?

- Such gifts allow you to make a charitable contribution to Acts 1:8 Ministry now without jeopardizing your financial security.
- By transferring assets that are not generating large returns, you can increase your level of income.
- You can create a separate source of income for a specific purpose such as retirement or education expenses.

Who manages the trust assets?

A trustee appointed by the donor will manage the trust assets. The donor, another individual, or a financial institution may be appointed in this capacity. Most donors choose the Acts 1:8 Foundation to be the trustee.

How do I set up a Charitable Remainder Trust?

An attorney can draft the trust document. We suggest using a qualified and knowledgeable attorney; please contact us to find out how we provide this service through our trusted professionals.

What assets can I transfer to the trust?

- Cash
- Securities
- Real estate or other marketable assets
- Rental Property

When I transfer the assets to the trust, does this qualify for an income tax charitable deduction?

You will likely enjoy an income tax deduction for a portion of the amount transferred to the trust in the year you establish the trust.

What about my payments?

You can choose to have payments that are fixed for the term of the trust or vary each year based on the value of the trust assets.

A CASE STUDY

Irene, age 60, wants to make a gift to Acts 1:8 Ministry but would also like more income in the future. Irene creates a Charitable Remainder Unitrust with annual lifetime payments to her equal to 6% of the fair market value of the trust assets as revalued annually. She funds the trust with assets valued at \$250,000.

Irene receives \$15,000 the first year from the trust. Subsequent payment amounts vary each year depending on the annual valuations of the trust assets. She is eligible for a federal income tax charitable deduction of \$81,305* in the year she creates and funds the trust. This deduction saves Irene \$22,765 in her 28% tax bracket.

**Based on annual payments and a 2.4% charitable midterm federal rate. Deductions vary based on income earned.*