

# GIFT PLANNING NEWSLETTER: Unitrust

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## *Unitrusts Enable You to Create Your Own Customized Lifetime Plan for Giving™*

Since 1969, Americans have used charitable remainder unitrusts to benefit themselves, their families and, ultimately, charity. Simply put, you transfer assets into a unitrust created with the LCMS Foundation, and the unitrust makes payments to you. This transfer often allows you to increase your income and enjoy tax advantages. When the trust terminates, the remainder of its value is distributed to your designated ministries.

### **THE FLEXIBLE UNITRUST WORKS FOR YOU AND MINISTRY**

You can establish your unitrust with cash or publicly traded securities, with a minimum of \$25,000 value. Or fund your unitrust with real estate, with a minimum \$40,000.

You receive payments for life. Those payments are based on an annual evaluation of your unitrust's value and the payout percentage you choose. The Foundation recommends a 5% payment percentage, which will give the trust the best chance to grow in value. If the trust grows, your payments and your gift to ministry will increase.

### **TWO WAYS YOU SAVE ON TAXES**

A unitrust is especially attractive if you have a highly appreciated asset producing a relatively low return. Often people keep a stock or piece of property instead of selling it and paying taxes on its value. But by transferring your low-yield asset to a unitrust, you can avoid capital gains tax and receive income, too!

When you transfer an asset to your unitrust, you get a charitable deduction. That means significant cash savings when tax-time rolls around.

### **A "POUR-OVER" OPTION**

Instead of establishing a unitrust and receiving income now, you may choose to create a pour-over unitrust that begins at your death. For a couple, the pour-over unitrust can start when both spouses are deceased.

You establish your pour-over unitrust as a part of your will. The funding "pours-over" from your estate into your unitrust to benefit family and ministry at your death.

Your pour-over unitrust is revocable during your lifetime. This means you can change your mind about establishing it anytime before your death.

Using a pour-over unitrust to complete your Lifetime Plan for Giving™ gives you the opportunity to provide an income stream for your heirs for 5-20 years. This is an excellent option for your heirs who may not be able to handle lump sum distributions from an estate. Like the unitrust, the pour-over unitrust provides a gift to your favorite ministries at the time period of income payments stated in the unitrust.

### **THE LCMS FOUNDATION SERVES YOU!**

The LCMS Foundation is the only Lutheran organization that offers you comprehensive charitable expertise and customized services for your Lifetime Plan for Giving™.

Your LCMS Foundation Gift Planning Counselor can answer your questions and help you establish your own unitrust or other gift planning tool.

**Contact the LCMS Foundation Today! 800-325-7912**  
[LCMSFoundation.org](http://LCMSFoundation.org)

