

Charitable Remainder Trust

Planning for the future — for you
and your community

Giving through a charitable remainder trust allows you to receive income for the rest of your life, knowing that whatever remains will benefit your community.

HOW IT WORKS

- You transfer cash, appreciated stocks, real estate, or other assets into a trust.
- You receive an immediate charitable tax deduction for the charitable portion of your trust.
- The trust pays you, or a beneficiary you designate, regular income payments.
- Upon the beneficiary's death or after a defined period of years, the remaining assets in the trust transfer to the Greater Milwaukee Foundation.
- We set up a fund in your name, in the name of your family or business, or in honor of any person or organization you choose.
- We handle all the administrative details including issuing grants to charities in the name of the fund you establish. If you prefer, grants can be made anonymously.
- Your gift can be placed into a fund that is invested over time. Your gift—and all future earnings from your gift—will be a permanent source of community capital, helping to do good work forever.



Ten Reasons People Choose to Give through the Greater Milwaukee Foundation

One We are a *local organization* with deep roots in the community and beyond.

Two Our community investment staff has *broad expertise* regarding community issues and needs.

Three We provide highly *personalized services* tailored to each individual's charitable and financial interests.

Four Our funds help people *invest in the causes* they care about most.

Five We accept a wide *variety of assets*, and can facilitate even the most complex forms of giving.

Six We partner with *professional advisers* to create highly effective approaches to charitable giving.

Seven We offer *maximum tax advantage* for most gifts under federal law.

Eight We *multiply the impact* of gift dollars by pooling them with other gifts and grants.

Nine We build *endowment funds* that benefit the community forever and help create personal legacies.

Ten We are a *community leader*, convening agencies and coordinating resources to create positive change.

DONOR STORY: A GIFT THAT PAYS*

James Redmond was retired and in his late seventies. The stocks he owned had high market values, but they paid limited dividends. In addition to increasing his personal income, James was interested in giving to the community in which he had lived his entire life, so he decided to transfer the securities to a charitable remainder trust that eventually would create a fund with the Foundation. "The income I receive from the trust is more than what I was collecting in annual dividends—by thousands of dollars. If I had sold the stocks, I'd have paid a fortune in capital gains tax," says James. He also receives an immediate charitable deduction and pays less tax on the trust distributions. "Plus," he says, "I know that when I pass, I've done something good." In time, James' gift will create the Redmond Family Unrestricted Fund to address ever-changing community needs.

MORE BENEFITS

You may choose to receive a fixed income or one that changes with market conditions. Income from the charitable remainder trust you establish may add up to more than interest and dividends you earned from holding the assets. You can use it to supplement your own lifestyle or that of someone other than yourself: a sibling, a dependent parent, a friend, or a former employee. A portion of the income may be a tax-free return of principal, while some is taxed as ordinary income or capital gains. The amount of income received depends on the payout rate selected by you. The tax deduction allowed depends on the age of the recipient, the payout rate, and the discount rate (as determined by the IRS).

You can pick one of these options for your charitable remainder trust:

- **Annuity trust:** Pays you a fixed dollar amount.
- **Standard unitrust:** Pays you an amount equal to a fixed percentage of the net fair market of the trust and is recalculated annually.
- **Net income unitrust:** Pays you the lesser of the fixed percentage specified by the trust agreement or actual trust income. Some net income unitrusts allow you to make up deficiencies in past years.
- **Flip unitrust:** Is a net income unitrust that converts to a standard unitrust upon a triggering event, such as the sale of an asset used to fund the trust.

* This story represents a composite illustration drawn from actual donor stories of many of the people who give through the Foundation.

**The Greater Milwaukee Foundation**

provides a simple, powerful, and highly personal approach to giving. We offer a variety of giving tools to help people achieve their charitable goals. We welcome the opportunity to work with you and your adviser to fulfill your unique charitable objectives. For more information and ways to integrate charitable giving into your financial planning, contact the Philanthropic Services Department at 414-272-5805.