

Support ICS Through A Charitable Remainder Trust

Like many, perhaps you have always wanted to make a difference by supporting activities and services in your community. Why not consider a charitable remainder trust (CRT). This will allow you to sell appreciated assets, defer capital gains tax and build a diversified portfolio. In addition, it will provide you with cash flow, which you could use in part to support the services of ICS, and receive an income tax deduction at the same time.

To set up a CRT, you contribute assets, ideally appreciated ones, to a trust that will ultimately transfer them to a charity. Once the trust is funded, the trust pays annual amounts to you and/or one or more other beneficiaries for life or for a fixed number of years, not to exceed 20. Beneficiaries can include you, your spouse, children, friends and Interfaith Community Services.

A well-designed CRT has well-defined tax and economic benefits. You get a charitable income tax deduction when you fund the trust, based on the charity's "remainder" interest in the trust, subject to all the normal income tax limitations on charitable deductions. If the designated charity is publicly supported, which Interfaith Community Services is, then your charitable deduction will be based on the fair market value of the contributed assets, whether appreciated publicly traded stock, appreciated closely held stock or appreciated real estate.

A CRT is an extremely flexible planning vehicle, and can be shaped to meet individual needs and objectives. It is important to explore all the alternatives, calculate the projected benefits of each and decide whether a CRT is the right strategy for you. It is also important to be sure that both the trust document and its administration meet all the complex requirements of the tax law. Your financial advisor and your attorney can help you decide whether a CRT is the right choice for your personal financial plan. In many cases, a CRT is a worthwhile choice for both the donor and Interfaith Community Services.

For more information on including ICS in your estate planning, please contact **ICS at 520-297-6049**.

(Article submitted by Jane Nugent, Vice President, Senior Personal Banker, Northern Trust Bank.)