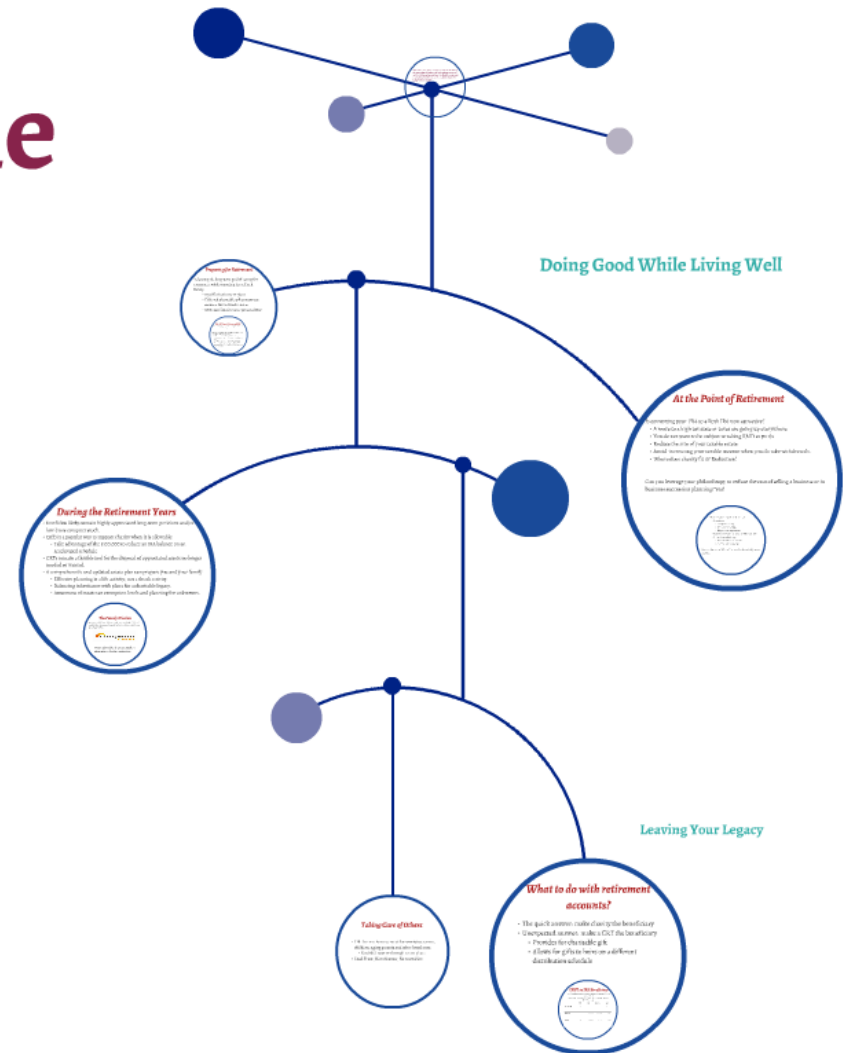
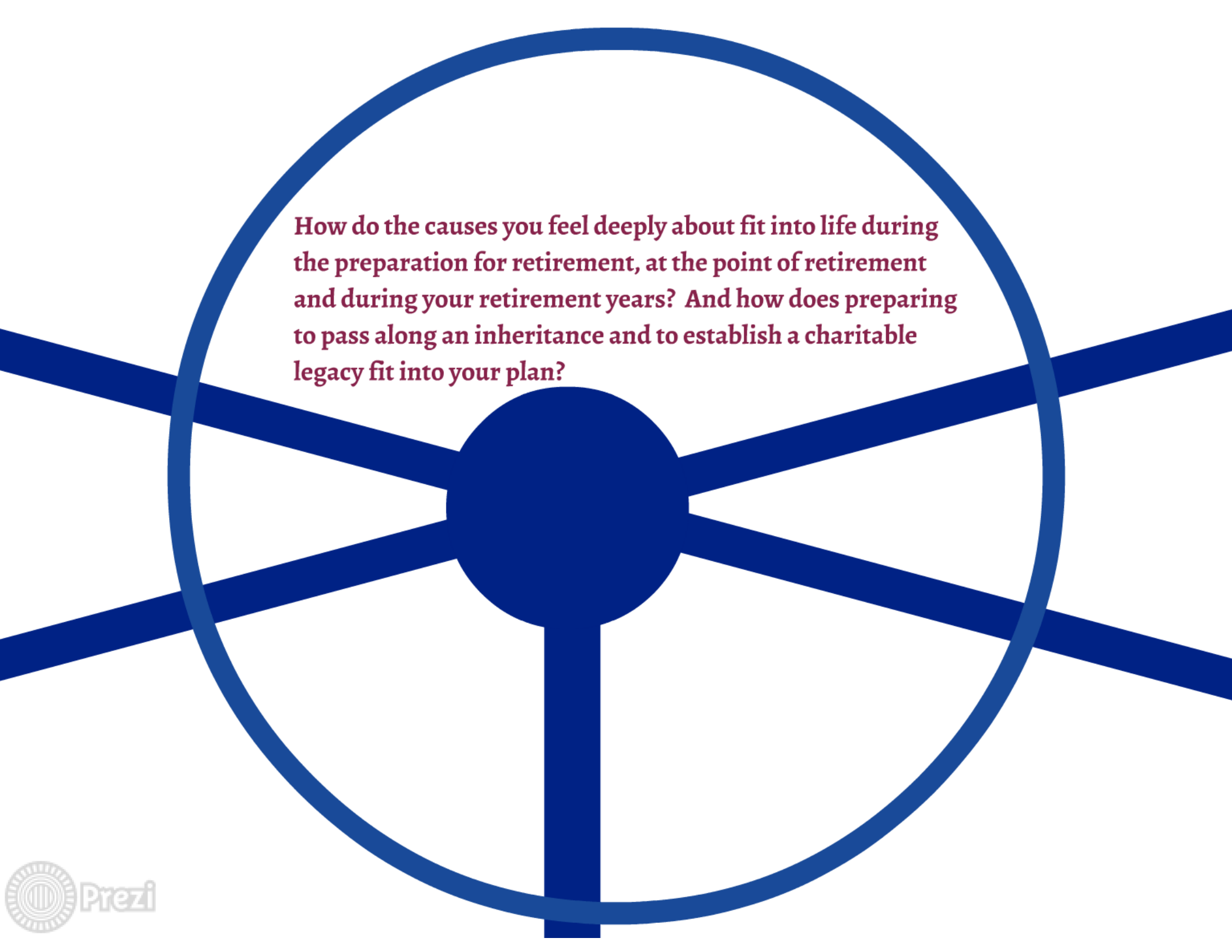


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# Planning A Charitable Retirement





How do the causes you feel deeply about fit into life during the preparation for retirement, at the point of retirement and during your retirement years? And how does preparing to pass along an inheritance and to establish a charitable legacy fit into your plan?

## Doing Good While Living Well

### Preparing for Retirement

Balancing the long-term goal of saving for retirement, while providing for self and family.

- Qualified retirement plans
- Deferred charitable gift annuity can create a future fixed income
- CRTs can function as a "personal IRA"



### At the Point of Retirement

Is converting your IRA to a Roth IRA now attractive?

- A move to a high tax state or taxes are going up everywhere.
- You do not want to be subject to taking RMD at 70 1/2
- Reduce the size of your taxable estate
- Avoid increasing your taxable income when you do take withdrawals.
- Where does charity fit in? Deduction?

Can you leverage your philanthropy to reduce the cost of selling a business or in business succession planning? Yes!



### During the Retirement Years

- Portfolios likely contain highly appreciated long-term positions and/or low-basis company stock.
- QCD is a popular way to support charity when it is allowable
- Take advantage of the \$100,000 to reduce an IRA balance on an accelerated schedule
- CRTs remain a flexible tool for the disposal of appreciated assets no longer needed or wanted.
- A comprehensive and updated estate plan can prepare you and your family
  - Effective planning is a life activity, not a death activity
  - Balancing inheritance with plans for a charitable legacy.
  - Awareness of estate tax exemption levels and planning for unknowns.



## ***Preparing for Retirement***

Balancing the long-term goal of saving for retirement while providing for self and family.

- Qualified retirement plans
- Deferred charitable gift annuity can secure a future fixed income
- CRTs can function as a "personal IRA"

### ***The CRT as a "Personal IRA"***

Current annual IRA contribution limits are \$5,500 for those under 50 years old and \$6,500 for those older.

Establish a Flip CRUT that begins making payments to you at your anticipated age of retirement.

- Make annual transfers to the CRUT of any size.
- Use appreciated securities to benefit from avoiding capital gains.
- Contributions to traditional IRAs may or may not be deductible depending on your participation in work sponsored plans and/or income levels. Contributions to CRTs are deductible.

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Can you leverage your philanthropy to reduce the cost of selling a business or in business succession planning? Yes!

The CRT can be used for the sale of:

- A business
  - S-corp or C- corp
  - LLC or partnership
  - Merger and acquisition
- Transfer corporate stock to children via DAF
- Assets from a business
  - Equipment or real estate
  - Commercial property

You can also use a CRT to sell personal real estate if you are moving.

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### ***The Family Mission***

Retirement could be the ideal time to make sure your family- children and grandchildren- are educated around a family ethos of giving. With money comes responsibility.



Donor advised funds are an excellent alternative to family foundations.

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## Leaving Your Legacy

### Taking Care of Others

- Life Income Arrangement for surviving spouse, children, aging parents and other loved ones.
  - Establish now or through estate plans
- Lead Trust (Non-Grantor) for transition

## What to do with retirement accounts?

- The quick answer: make charity the beneficiary
- Unexpected answer: make a CRT the beneficiary
  - Provides for charitable gift
  - Allows for gifts to heirs on a different distribution schedule

### CRUT as IRA Beneficiary

\*Charlotte-Mecklenburg Schools is a diverse public school system serving students from preschool to 12th grade. Our teachers are committed to providing a high-quality education for all students.

Flow variable estimate

	2017	2016	2015	Total
Report to CEO	1,300,000	25	0	1,300,025
Board of Directors	0	1,100,000	1,100,000	2,200,000
Executive Committee	1,100,000	1,100,000	1,100,000	3,300,000

# *What to do with retirement accounts?*

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## *CRUT as IRA Beneficiary*

7% Charitable Remainder Unitrust compares to a direct gift to a 60 year old child.

Total assumed return = 8%. Child's federal tax bracket is 39.6%  
Non-taxable estate

	TCCF	Child	Uncle Sam	Total
Request to TCCF	\$1,000,000	\$0	\$0	\$1,000,000
Child inherits	\$0	\$1,026,478	\$1,366,367	\$2,392,845
IRA to CRT	\$1,348,755	\$1,086,363	\$800,882	\$3,535,878

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Non-taxable estate

	TCCF	Child	Uncle Sam	Total
Bequest to TCCF	\$1,000,000	\$0	\$0	\$1,000,000
Child Inherits	\$0	\$1,928,478	\$1,264,367	\$3,192,845
IRA to CRT	\$1,269,735	\$1,084,161	\$803,982	\$3,157,878

## ***Taking Care of Others***

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