

Charitable Remainder Annuity Trust

A charitable remainder annuity trust can help you maintain or increase your income for life while making a significant gift to SSM Health. The trust payments are the same amount each year, offering the security of fixed income. A charitable remainder annuity trust may be right for you if:

- You want to maintain or increase your income.
- You want to choose the person who administers your gift and guides its investments.
- You want the security of predictable payments for life or a term of years.
- You are considering a gift amount of \$250,000 or more.
- You want to save income taxes or capital gains taxes.

Example:

Ann Porter, age 84, has various appreciated stocks in her brokerage account with a combined value of \$500,000. The stocks cost \$200,000 to purchase and provide her with approximately \$10,000 in annual dividend income. Ann would like to increase her cash flow, not worry about market fluctuations, and arrange for an endowment at SSM Health. Ann finds that creating a charitable remainder annuity trust will achieve her goals nicely. She transfers her \$500,000 in stock to an annuity trust with a 5.0% payout rate.

Benefits:

- Ann will significantly increase her cash flow from her gift assets, from \$10,000 a year to \$25,000 a year.
- She will receive an immediate income tax charitable deduction of about \$351,340*.
- Her trustee will be able to sell her stock immediately in order to diversify her trust's investments without paying any capital gains tax. As a result, all of her assets will be working for her and for our patients.

** Ann's income tax charitable deduction will vary depending on the timing of her gift.*