



Charitable Remainder Trust

The Charitable Remainder Trust is one of the most popular, versatile and time-tested planning techniques involving charitable giving.

A Charitable Remainder Trust allows you to contribute to the Gregorian University Foundation while retaining an income for life or a term of years.

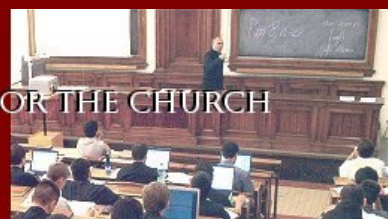
What is a Charitable Remainder Trust?

1. You transfer property to a trust either in life or through your Will.
2. You earn an income tax charitable deduction for part of the contribution.
3. You or someone you designate receive income distributions from the trust, for life or for a fixed term of years.
4. At the end of the trust term, the remaining assets are distributed to the Gregorian University Foundation.

Why should you consider a Charitable Remainder Trust?

- Make a major contribution to the Gregorian University Foundation that you otherwise couldn't afford.
- Earn an income tax deduction and remove assets and future growth from estate taxation.
- Avoid some capital gain tax liability and defer the rest on contributed assets that have appreciated in value.
- Generate income for retirement – either now or deferred until later.
- Make a contribution now but retain the ability to access the deferred, compounding income if and when it is needed.
- Take advantage of tax-free investment growth while funds are held inside the trust.
- Arrange an income stream for a spouse or heirs after your death.
- Businesses can contribute underperforming assets and gain current cash flow.
- Business owners may transfer a business to heirs with minimal transfer taxes, and generate a retirement income.

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Charitable Remainder Trusts allow you to create a personalized plan:

- Choose between a steady amount of income or allow income to vary with the value of trust assets (with an expectation of long-term growth).
- Receive income immediately, after some event in the future, or retain some ability to choose when to receive income (with an expectation that investments grow in the meantime).
- Choose income recipients and the order in which they will be eligible to receive income.
- Great flexibility in investments, investment and trust management, and taxable status of income received.



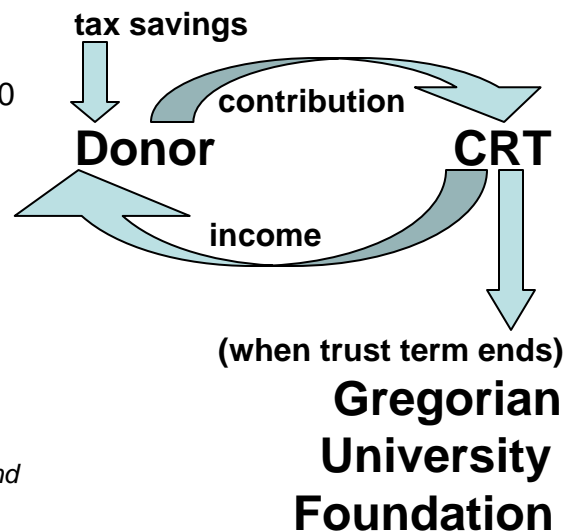
Opportunity:

- \$100,000,000 of GE stock with cost basis of \$200,000 paying a 1% dividend.
- GE stock transferred to a Charitable Remainder Trust.
- Donors are husband and wife age 72 and 70.

Result:

- \$800,000 capital gain avoided, saving \$120,000 in taxes at 15% tax rate.
- \$375,000 income tax charitable deduction generated, saving \$150,000 in taxes at 40% combined Federal and State tax rate.
- First year income is 600% of prior dividend income.
- Receive \$1,370,000 in payments over lifetime assuming 8% return on trust assets.

The results in this example may vary based on time of gift and a number of other factors.



How can the Gregorian University Foundation be of assistance?

Charitable planning is a highly specialized skill. We have staff specialists and resources available to support both your investigation and implementation of gift planning techniques. Our services are professional, confidential, collaborative and provided without cost or obligation. We encourage you to call on us to assist you, your family and advisors in exploring charitable opportunities in estate and financial planning.

Gregorian University Foundation

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