

## Chapter 4

### “Charitable Gifting: Trust Administration and Strategies”

Course Description: Few practitioners realize that one of the greatest tools needed to keep wealth in the family is the act of charitable gifting. This course presents all the secrets of applicable strategies. The students will learn the structuring and design of Charitable Remainder and Lead Trusts, applications of these trusts in the estate planning process, trust remainderman beneficiaries including Private Family Foundations.

Content Author: Robert L. Margetic, CLU, ChFC, GEPC

Course Syllabus: Recommended Study Time = 4 Hours

Hour 1: Introduction and Course Outline

#### Charitable Remainder Trust Concepts

- CRTs can be used to Sell Assets
- CRT Sales Avoids Capital Gains Taxes
- CRTs can provide Income to Donor
- CRTs can provide Income Tax Deductions
- CRTs provides Philanthropic Opportunities
- CRTs and Irrevocable Life Insurance Trusts
- CRTs can transfer Control of Family Businesses
- CRTs can provide Asset Protection
- Charities are great Benefactors of CRTs

#### Benefits to Clients

#### Why Use CRTs in Estate Planning

- Personal Reasons
- Financial Reasons

Hour 2: Types of CRTs

- Charitable Remainder Annuity Trust
- Charitable Remainder Unitrust
- Charitable Net Income Unitrust
- Charitable Net Income with Make Up Unitrust

#### Case Illustration

- Circumstance, Objectives, Planning Review

#### NIMCRUT Specifics

- Deferral of Income
- Investment in Partnership Interests
- Investment in Stock, Bonds, Annuities
- Investment in Insurance Contracts
- FLIP Unitrust Capability

Hour 3:

Trust Design

- Parties to Trust
- Types of Trusts
- Trusts Payouts
- Trust Terms
- Income Recipients
- Income Tax Deductions

Trust Remainderman Beneficiaries

- Non-Profits, Educational Institutions, Applications

Private Family Foundations

- Remainderman Beneficiary
- Personal, Family and Financial Reasons
- Tax and Perpetuity Issues

Hour 4:

Charitable Lead Trusts

- “Split-Interest” Irrevocable Trust
- Comparison of CLTs and CRTs
- Grantor CLT
- Non-Grantor CLT
- Examples of CLT Applications

CRTs and Irrevocable Life Insurance Trusts

- CRT Income and Policy Premiums
- Totalling CRT Benefits to Replace Wealth
- Income and Capital Gains Tax Issues

CRTs and the Zero Estate Tax Plan

- How the CRT piece fits into the Puzzle
- Advantage of Tax Considerations

Course Review and Summary