



## **PHILANTHROPIC SOLUTIONS: THE CHARITABLE REMAINDER TRUST (CRT)**

The St. Croix Valley Foundation offers simple giving solutions that are tailored to your values, goals and personal financial circumstances. Your gifts can include bequests, cash, stock, real estate, life insurance, charitable remainder trust or charitable lead trusts with maximum tax advantages based on when and how you make your gifts. You have the flexibility to give to a wide variety of charities and the freedom to change charities should your interests change. You can also decide when and how to make your gifts in order to take full advantage of tax benefits.

While all charitable gifts contribute to a common good, most gifts to the Foundation provide the added value of providing support to charities far into the future. Gifts to the Foundation are carefully invested to generate a permanent source of income to charitable causes. This approach ultimately increases the value of every dollar given. Here is a simple example of the power of endowment:

Both outright and perpetual or endowed gifts provide essential support to nonprofit organizations. Outright gifts provide an organization with resources to meet immediate needs. But by providing an ongoing stream of income for years to come, charities can make long-term plans and ensure that their services are offered far into the future.

### **CHARITABLE REMAINDER TRUST (CRT)**

A CRT with the St. Croix Valley Foundation is one way for you to direct your charitable giving to a variety of charities over a term of years or at your death. You receive immediate income tax benefits, and an annual income stream that lasts for the donor's lifetime.

- You receive an immediate income tax deduction based on the fair market value of the gift;
- And avoid capital gains tax when your charitable trust sells your gifted asset, because charities pay no capital gains tax;
- At your death or after a term of years the trust distributes the value of the trust to the charity(ies) of your choice;
- During your lifetime, or for a term of year, you as grantor of the trust receive an income stream ;
- The St. Croix Valley Foundation can take responsibility to do all reporting for your charitable remainder trust.

*CRT minimum: \$100,000 cash or stock*

*Fees: 1.5% on funds up to \$500,000. 1% on amounts above \$500,000*

To learn more and find out about your options, please contact Jane Hetland Stevenson, president of SCVF via email at [jstevenson@scvfoundation.org](mailto:jstevenson@scvfoundation.org) or by calling 715-386-9490.

## ONE DONOR'S STORY

### The Swanson Family

Don and Pamela Swanson set up a Charitable Remainder Trust (CRT) in 2006, when they were both 60. They gifted \$500,000 of company stock to their CRT. They paid \$100,000 for the stock. They achieved their goals of:

1. Lowering their stock holdings and thereby diversifying their portfolio
2. Generating an income tax deduction based on the fair market value of the gifted stock
3. Avoiding payment of capital gains tax on this transaction
4. Reducing exposure to the federal and state estate tax
5. Generating an annual income stream of 7% for the rest of Don and Pamela's life
6. The Swansons can make additional lifetime and testamentary gifts to their CRT
7. At Don and Pamela's death, the trust value passes to the charities listed in the trust

