



Making Your Farm Work for You, Your Family and Charity

You've worked long and hard to build your farming business to be what it is today. You want to take care of yourself and your family, and you wish to contribute to the charities that are important to you. But how can you do all of this at once?

The Lutheran Home Association (TLHA) is here to assist you in leaving a legacy that shares your gifts and your values with those you love and the charities you care about.

We offer several income-producing charitable giving vehicles that allow you to plan ahead in a tax-wise manner, using your assets exactly the way you want. We can also help you find the one that fits your situation and assist you in sharing your gifts with those you love. *That's a legacy worth planning!*



Legacy Gifts through Charitable Gifting Vehicles

Charitable Remainder UniTrust (CRUT)

A CRUT is an irrevocable contract that a donor or donors establish to benefit charity and provide a stream of income for themselves and others if they so choose.

- Assets such as grain, cattle, real estate, and implements can be transferred into the CRUT and sold without creating a taxable event, which increases the assets' income potential.
- Donors receive a partial charitable income tax deduction for a gift of cash and sometimes for gifts of other assets.
- Donors or their designees receive a percentage of the trust's value as valued at the end of each year.
- Donors can choose to have the benefits pay out during their lifetime, or for a period of up to 20 years to a second generation of beneficiaries.
- Additional gifts may be added periodically.
- At the end of the trust period, the remainder becomes a gift to charity.

Charitable Remainder Annuity Trust (CRAT)

With a CRAT, the donor receives a fixed dollar amount quarterly, semi-annually or annually based on a percentage of the value of a one-time gift.

- A CRAT is funded only one time and cannot receive additional gifts.
- At the death of the donor, the payouts may continue to a second generation for a period not to exceed 20 years.
- At the end of the trust period, the remainder becomes a gift to charity.
- The funding gift should have a value of at least \$100,000.

Charitable Gift Annuity (CGA)

A CGA is a simple irrevocable contract between the donor and the charity where the donor donates cash or appreciated securities to the foundation in exchange for fixed payments for life to the donor, or the donor and one other person.

- Upon death, the remainder benefits a designated or undesignated program of the nonprofit which issued the CGA.
- The starting gift should have a value of at least \$10,000.

Donor Advised Fund (DAF)

This is a charitable giving vehicle designed for an individual, family or group of people to make irrevocable, tax-deductible contributions of assets to charity. Periodically, after the establishment of the DAF, the donor can recommend grant distributions to qualified charitable organizations per the DAF's guidelines and mission.

- DAFs receive favorable tax treatment and allow the donor to take a federal income tax deduction of up to 50% of adjusted gross income (AGI) for cash contributions and 30% for appreciated assets.
- DAFs provide an opportunity for the donor to make a tax-deductible gift all at once and retain the ability to recommend distributions of gifts to various charities through his/her lifetime.
- DAFs can also receive additional gifts from anyone at any time. This gift can involve family members in charitable giving for several generations. Foundations establishing DAFs have various distribution guidelines.
- The starting gift should have a value of at least 25,000.

Life Estate Agreement (LEA)

This is a transaction in which an individual or couple irrevocably transfers the title of a personal residence, vacation home or real estate property to a charitable organization with a retained right to use the property for their life or a specified term of years.

- Gifts of a remainder interest entitle the donor to a partial charitable contribution income tax deduction.
- At the conclusion of the measuring term, all rights in the property are transferred to the charity.

Contact us today to help you navigate this process.

