A charitable trust is an exceptional means to be a wise and faithful steward.

“Commit your work to the Lord.”
—Proverbs 16:3

A trust is a useful estate planning tool that allows you to ensure the financial well-being of your family and, if appropriate, provide a significant planned gift to your church.

A trust, in its simplest form, is the holding of legal title to property by one party (the trustee) for the benefit of another (the beneficiary).

ECF’s Planned Giving program was established to facilitate and simplify the process of creating a charitable trust for Episcopalians.

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Although a revocable trust does not achieve income tax or capital gains tax savings, it does provide income, professional management of the assets, and a savings in estate taxes, if structured properly.

**CAN A TRUST HELP MY LOVED ONES AND THE CHURCH?**

Yes. Trusts can be used as estate planning tools, or they can be used to make a gift to the church.

**FEATURES OF A REMAINDER TRUST**

- The minimum amount required to establish a trust with ECF is $100,000.
- The minimum age to set up a trust is 50.
- Trusts can be funded with cash, real estate, stocks (including closely held stock), bonds, or mutual funds. Appreciated assets are often used to fund charitable trusts since capital gains taxes can be minimized.

Donors creating a charitable trust gain all the advantages of the trust listed above, plus they gain significant income and estate tax savings.

A charitable remainder trust pays the donor and/or the named beneficiaries for life. At the death of the final income beneficiary, the assets of the trust pass on to the church and/or selected charities.

The trust is irrevocable and may be set up during the lifetime of the donor, or it may be created at the death of the donor for the benefit of the donor’s heirs or other person(s).

Generally there are two types of charitable remainder trusts: the charitable remainder annuity trust and the charitable remainder unitrust, each with distinctive features and advantages.

Your local church, your diocese, national and international mission work of the Episcopal Church, Episcopal schools, Episcopal charities, or any agency or organization affiliated with the Episcopal Church can receive the remainder of your trust. You name the recipients of your gift at the time you establish the trust.

As long as 51 percent of the charitable remainder trust is designated to Episcopal organizations, the rest may be left to a non-Episcopal organization, such as your college.

To offset legal costs, trusts originally valued at $500,000 or less, 5% of the remainder value must be designated to ECF; for trusts over $500,000, 3% of the remainder must be designated to ECF.

An example...

John and Betty have been faithful members of their church all their lives. Now in their early seventies, they need additional income, but would also like to make a substantial gift to their church.

Their financial advisor suggests that they take the $150,000 worth of appreciated stock that they own and create a charitable remainder trust. The trust is established, the stock is sold and reinvested in appropriate investment vehicles.

They avoid thousands of dollars in capital gains taxes, receive income, and also receive an income tax deduction in the year the gift was made. They also reduce estate and inheritance taxes. At their deaths, the remainder of the trust goes to the church.

The charitable remainder trust gives John and Betty an exceptional means to be wise and faithful stewards in managing God-given assets for the benefit of both their family and their church.

“And the Lord said, ‘Who then is the faithful and wise steward, whom his master will set over his household, to give them their portion of food at the proper time?’”

—Luke 12:42