

# Charitable Remainder Trusts

## "ARE YOU AWARE?"

Presented by David W. Drislane '48  
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"Are you aware" that if you are selling some investment property or your business you are probably facing a very large capital gains tax?

If it is your intention to invest the proceeds of such a sale for income purposes you will only earn income on what you have left after paying the tax. This can often reduce your investment and, therefore, your income by upwards of 35%.

In an effort to promote private charities, tax laws provide that you may establish a charitable remainder trust whereby you give over the proceeds of the sale to your Charitable Trust. This eliminates the capital gains tax. Now your trust can earn income on 100% of the sale proceeds instead of +/- 65% of the sale.

You establish how much you wish to receive as an annual annuity (there are reasonable limits of course, 6% or 7% perhaps). You and your spouse receive the income for your lifetimes and after you both die the principal of the trust goes to the charity(s) of your choice. There is also a charitable gift benefit as an added incentive.

If you want you can use a portion of your extra income to purchase simple term insurance to replace the principal you have given away (Your children can be the beneficiaries of this insurance through the further vehicle of an "Irrevocable Trust").

This is a great way to increase your retirement income -- while doing something really good for others, such as St. Mary's. This is not 'smoke and mirrors'; this is certainly a 'win-win' opportunity.

The St. Mary's Office of Institutional Advancement can provide you with additional information on charitable remainder trusts and other tax-saving financial planning vehicles, as well as ways to make giving to St. Mary's possible. For more information please contact:

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