

# Bequests and Planned Giving Opportunities with the WHCS Foundation

The WHCS Foundation is pleased to announce that we are now utilizing the professional services of CFP/CPA who has 30 years of experience in the area of planned giving. If you have property that you are interested in selling and have similar problems to the couple in the case study below – capital gain taxes, time and expense of maintaining the property, dealing with tenants, low rate of return from the property – please call or contact the WHCS Development Office at 503.977.5503 or [Haskell\\_peg@whcs.org](mailto:Haskell_peg@whcs.org).

## Planned Giving Case Study

A retired couple, ages 72 and 69, own two duplexes valued at \$560,000 which they have held for over 25 years. They are interested in selling the duplexes, but because of the appreciation over the years, their CPA stated that the capital gain taxes would be \$135,000. However, the time and expense of maintaining the duplexes is proving to be challenging and the net income last year from both duplexes was only \$9,000. Is there another way to sell the duplexes, receive a favorable income stream and avoid the capital gain taxes?

The couple was pleased to learn that there is a tax efficient way to sell their duplexes. After meeting with the Development Director (Planned Giving Director) at their favorite charity, they learned that the duplexes could be sold through what is called a “charitable remainder trust” or CRT. By creating a CRT and transferring the duplexes into the trust, the duplexes can then be sold without payment of capital gain taxes. They also receive income for their lifetimes and a substantial charitable income tax deduction. When they pass away, the assets in the CRT are then transferred to their favorite charity.

In their case, they would receive \$38,000 annually from the CRT for their lives – a substantial increase over the net income of \$9,000 they received last year. They would also be entitled to a charitable deduction of \$132,000 which would save them \$40,000 in taxes over the next few years. Also, they no longer have to worry about maintaining the properties and dealing with tenants. Finally, they can know that they are making a substantial gift to the charity(ies) of their choice.