



So that future generations  
will know the goodness of God

### What is a charitable remainder trust?

A charitable remainder trust can be a blessing to you and your spouse or other family members. It provides significant tax savings as well as income for you or your family members before finally transferring the property in the trust to your designated WELS ministries when the trust ends. This type of giving instrument is especially helpful for individuals who plan to retire and would like to sell land, stock, or even a business tax-free and receive a generous income.

A charitable remainder trust is created when you transfer cash, securities (stocks, bonds, mutual funds), or real estate to WELS Foundation, but keep a specified income interest—usually for life. When the trust ends per your designations, the property in the trust passes to your designated beneficiaries such as your church and/or synod.

### What are the features?

- **Gift size:** Minimum of \$200,000.
- **Irrevocable:** Once established, a charitable remainder trust cannot be revoked.
- **Payout rate:** Five percent.

### What are the benefits?

- **Lasting legacy:** You can create designations that provide for the special needs of your heirs (e.g., college funds). When the trust ends, the balance will be used to continue the Lord's work in your congregation or synod.
- **Tax savings:** You receive an immediate income tax charitable deduction for a portion of the gift amount. Capital gains tax on appreciation is deferred at the time of transfer, leaving the entire value of your assets to generate future income.
- **Payments:** You, or those you designate, receive trust payments. These can be a fixed or variable amount.
- **Increased cash flow:** By funding your trust with low-paying assets, you might even increase your cash flow by making a gift.
- **Peace of mind:** Management of assets by WELS Investment Funds frees you from investment anxiety.
- **Flexibility:** You can choose several income beneficiaries and the length of the trust term.

**Frequently Asked Questions →**

# FREQUENTLY ASKED QUESTIONS

## about Charitable Remainder Trusts

### ➤ How is my charitable remainder trust invested?

Your charitable remainder trust is invested in the WELS Balanced Fund. The Balanced Fund seeks long-term capital growth and a low to moderate level of current income. It has a target asset allocation comprised of 60 percent equity and 40 percent fixed income and has a mid- to long-range investment time horizon.

### ➤ When can I expect to receive my tax information (Schedule K-1/Form 1065) for my charitable remainder trust?

Typically, we will mail your K-1 so you receive it by March 31st. Mutual funds are required to provide Form 1099 to investors by February 15th, and your K-1 can't be prepared until after we receive the 1099s from all underlying mutual funds. We will work to get the K-1 to you as soon as possible!

### ➤ Can I receive my quarterly income payment electronically?

You can! Please contact us at [WELSFoundation@wels.net](mailto:WELSFoundation@wels.net) or 800-752-8940 and we can assist you in setting that up.

### ➤ I no longer need the income from my charitable remainder trust. Can I terminate the trust and make distributions to the ministries I've selected?

Yes, you can, and in doing so you may qualify for an additional income tax charitable deduction. Contact us to learn more.

### ➤ What are the annual expenses of my charitable remainder trust?

| Funding Asset   | Min. Initial Gift | Annual Administration Fee*   | Tax Prep Fee                         |
|---|-------------------|--|--------------------------------------|
| Cash<br>Marketable Securities<br>Illiquid Property ( <i>board approval required</i> ) | \$200,000         | First \$250,000<br>\$250,001 to \$1,000,000<br>More than \$1,000,000 | 1.20%<br>1.00%<br>0.80%<br>\$500 fee |
| <i>Including CRATs &amp; CRUTs; minimum age: 45</i>                                   |                   |  |                                      |

\*Admin fees processed quarterly

### MORE QUESTIONS?

Contact WELS Foundation at [WELSFoundation@wels.net](mailto:WELSFoundation@wels.net) or 800-752-8940.