thrivent

Testamentary charitable remainder trust

You can establish one as a provision in your will using life insurance, commercial annuities, retirement assets or a portion of your estate.

A testamentary charitable remainder trust is created with assets upon your death. The trust then makes regular income payments to your named heirs for life or a term of up to 20 years. These income payments are calculated annually using a set percentage rate and the value of the trust's assets. The amount remaining at the termination of the trust is directed to a donor-advised fund created by you. This donor-advised fund supports charities or areas of charitable work recommended by you. Gift Minimum: $100,000/$200,000 for illiquid assets. In some instances an annuity trust, where heirs receive ongoing fixed-income payments, may be appropriate. Gift Minimum: $50,000.

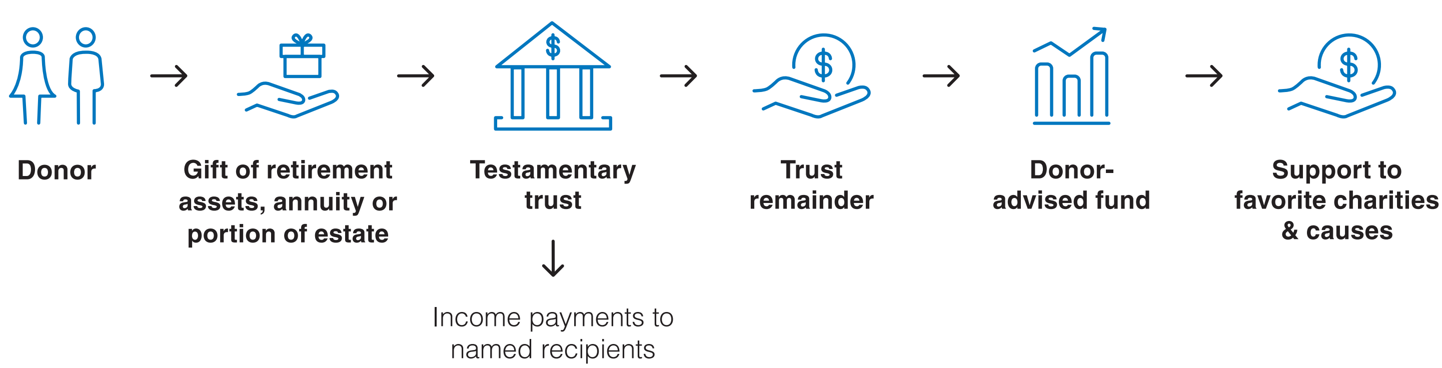
Benefits of giving

Provide income for life to heirs. Name your spouse, family members or friends as income recipients for life or a term of up to 20 years.

Possibly reduce taxes. You may receive an estate tax deduction for the charitable portion of the gift. Heirs may also avoid immediate recognition of taxable income, spreading the taxable income over the life of the trust, rather than as a lump sum. When retirement plan assets are used to establish the trust, there may be the added benefit of bypassing related income taxes.

Support favorite charities or causes. The trust remainder is directed to your custom donor-advised fund to support one or more IRS-qualified charities of your choosing.

How it works



Donor story

The donors. A couple, both age 63, is working to update estate plans. They have significant assets in their retirement accounts, which they likely won't deplete in their lifetimes. They're concerned about the income tax due on their retirement accounts when their children inherit, and they also want to leave a legacy by supporting several favorite charities.

Their gift. The donors updated their will and estate documents to include language that establishes a testamentary charitable remainder trust upon the second death, and named the trust as the beneficiary of their qualified retirement accounts. Their two sons will receive a variable income payment of 5% of the trust's assets annually for the rest of their lives. This plan spreads out the taxable income to the sons over time, versus them being assessed with a lump sum tax bill upon the parents' death (which can be as much as 37% for qualified retirement assets). At the passing of the sons, the remainder of the trust will go into their Thrivent donor-advised fund and provide ongoing support to selected charities.

About us

We believe humanity thrives when people make the most of all they've been given. Thrivent Charitable Impact & Investing™ helps people do just that—bring their generosity to life so that they can support the organizations and causes closest to their hearts, now and into the future. Grounded in our purpose to serve, we take a holistic, personalized approach to help our donors create strategic charitable plans and give in a way that best reflects their values and financial priorities. Together, we are committed to creating positive impact and inspiring lasting change in our communities.

Are you ready to make the most of your giving?

We can help you determine if a testamentary charitable remainder trust is right for you. Contact your Thrivent financial professional, visit thriventcharitable.com or call 800-365-4172.