

## Capital Gains Tax Bypassed

Paul and Jane Stevens were nearing retirement. Over the years, with the help of their financial advisor, they made solid investments in securities and built a sizable portfolio. While their investments increased substantially in value, their potential capital gains tax bill was rising. Now with retirement on the horizon, the Stevens were looking for a way to sell their highly appreciated stock, generate income for their future and avoid paying high capital gains tax.

**Paul:** For many years we had supported the work of our church. Recently, we learned that we could make a gift of our appreciated stock to charity and bypass the potential capital gains tax cost we were facing. I was thrilled to learn that after transferring our portfolio to a charitable remainder trust, the trust would sell the stock tax-free.

**Jane:** I liked the fact that the trust would provide us with income for our retirement years. If something happened to Paul, I would still be taken care of for the remainder of my life.

Paul and Jane decided to make a gift of their appreciated stock to establish a charitable remainder *unitrust*. They were thrilled at the prospect of creating future income while bypassing capital gains tax.

**Paul:** When I heard that in addition to the other benefits we would receive a charitable deduction for our gift, it was just icing on the cake! I wondered why everyone nearing retirement doesn't set up a charitable trust.

For more information on Planned Giving Strategies, please, feel free to ask your Pastor.

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