

## **Retained Life Estate**

One of your valued possessions, your home, can become a valued gift to Community SeniorServ even while you are still living in it, and even if you want your spouse or other person to live there for life. You could create a life estate trust that would help you receive an income for life. These arrangements are called retained life estate gifts.

## **You Retain Rights, Responsibilities and Tax Savings**

By deeding your home to us now, you can obtain a sizable income tax deduction this year. The amount depends on the value of the property and your age (and the age of any person given life use). In addition, you retain the right to rent your home or make improvements to it. You continue to have responsibility for maintenance, insurance and property taxes.

**Example:** *Angela, age 65, a widow, deeds her home to us, though she plans to live there for the rest of her life. The market value of the property is \$400,000 (the house, \$160,000, and the land, \$240,000). Using the required IRS table to discount the gift based on Angela's life expectancy and a 2.0 percent charitable midterm federal rate and future depreciation of the house, her accountant determines her income tax deduction to be in excess of \$171,000.*

Any personal residence qualifies for this tax deduction--a farm (with or without the house), vacation home, condominium, even stock in a cooperative housing corporation.

Your gift to us must be an irrevocable remainder interest. In other words, after your life use and that of any survivor, Community SeniorServ receives the property outright.

## **Tax Savings for Partial Use**

Even a home you don't occupy year-round may qualify. For example, you could give Community SeniorServ a one-half interest in a vacation home. You would continue to use the property for six months of each year while we, as half owner, would use it for the remaining six months. As a result, you'd be entitled to an income tax charitable deduction based on half the property's fair market value.

## **Life Income From Home**

If you want to live in your home and would like additional income for life, consider converting your home into Charitable Gift Annuity that would provide you with a guaranteed high rate of income and an array of valuable tax benefits – for life.

If you don't want to live in your unmortgaged home any longer, consider transferring it to a charitable remainder trust. The trustee can then sell the property and invest the proceeds in income-producing securities. You'll receive an income for life--and so can a survivor you name. The trust principal becomes ours, without exposure to estate taxes when spouses are the only income beneficiaries.

When you transfer appreciated property that has been held long-term, you won't pay any tax on the capital gain. And you'll benefit from a substantial current income tax deduction.

## **Personal Satisfaction, Too**

A gift of your home is a tangible and enduring testimonial of your interest in Community SeniorServ's goals. And your satisfaction in giving complements your important tax savings.

Please call us at Phil Beukema at (714) 220-0224 for more information about the Life Estate program.