

Illustration of Mr. Nelson's 5% Charitable Remainder Trust

Summary of Benefits

Donor age is 60.

Principal placed in charitable remainder trust is \$100,000 in appreciated stock

Stock original cost basis is \$25,000 (25%)

Donor income tax bracket is 35%, 15% for capital gains.

Gross Principal	\$100,000
Charitable Deduction	\$39,752

Income	5%
Capital Appreciation	3%

Total Before-Tax Benefit to Income Recipient	\$161,035
Total After-Tax Benefit to Income Recipient	\$108,123

Projected 5% Charitable Remainder Trust Income Payments

YEAR	Year-End Principal	Capital Appreciation (3%)	Income (5%)	Before-Tax Benefit Income	After-Tax Benefit Income (35%)
2009	\$100,000				
2010	102,464	\$3,000	\$5,000	\$5,000	\$3,357
2011	104,990	3,074	5,123	5,123	3,440
2012	107,577	3,150	5,249	5,249	3,525
2013	110,228	3,227	5,379	5,379	3,611
2014	112,944	3,307	5,511	5,511	3,700
2015	115,728	3,388	5,647	5,647	3,792
2016	118,580	3,472	5,786	5,786	3,885
2017	121,502	3,557	5,929	5,929	3,981
2018	124,496	3,645	6,075	6,075	4,079
2019	127,565	3,735	6,225	6,225	4,179
2020	130,708	3,827	6,378	6,378	4,282
2021	133,929	3,921	6,535	6,535	4,388
2022	137,230	4,018	6,696	6,696	4,496
2023	140,612	4,117	6,861	6,861	4,607
2024	144,077	4,218	7,031	7,031	4,721
2025	147,628	4,322	7,204	7,204	4,837
2026	151,266	4,429	7,381	7,381	4,956
2027	154,994	4,538	7,563	7,563	5,078
2028	158,813	4,650	7,750	7,750	5,203
2029	162,727	4,764	7,941	7,941	5,332
2030	166,737	4,882	8,136	8,136	5,463
2031	170,846	5,002	8,337	8,337	5,598
2032	175,057	5,125	8,542	8,542	5,736
2033	179,371	5,252	8,753	8,753	5,877
TOTAL	\$179,371	\$96,621	\$161,035	\$161,035	\$108,123

Prepared by: Office of Gift Planning

IRS Discount Rate is 3.6%

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