



The "Give It Twice" Trust



Many of our supporters have included Dallas Theological Seminary in their will. Their desire is to give beyond their present lifetime to ensure the ongoing mission and work of the seminary for many years to come. A gift in the will allows one to support DTS and other organizations in a meaningful way without any cost now. And it exemplifies a legacy of generous giving to God's work.

Maybe you have done the same, or you would like to.

There are several ways you can do so. One is by making an outright gift to the seminary in your will. This could be expressed as a certain dollar amount, a specific asset, or a percentage of the estate.

While this approach might make sense for some, it may be challenging for others. For these, they may have children, grandchildren, and others to whom they would like to give, and resources may be limited. They may wish to include their ministries, but they feel there may not be enough to go around.

What if you could give it twice? What if you could include your ministries while still giving generously to your family members?

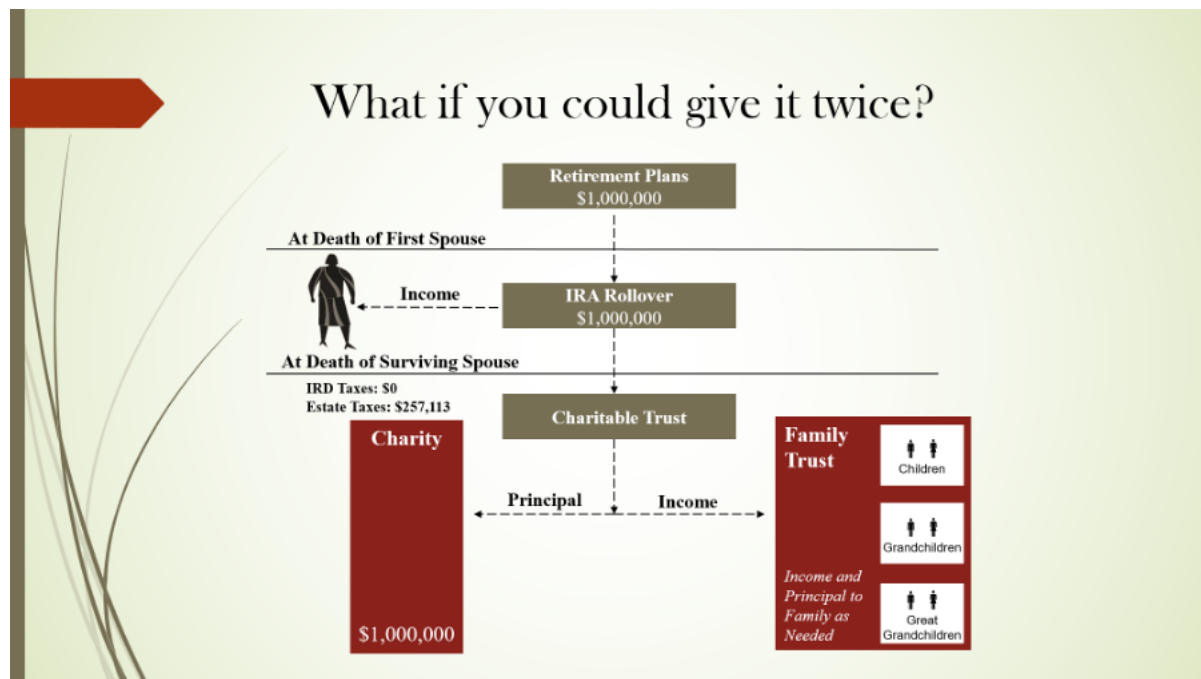
You can, using a "Give It Twice" Trust.

This is how it works. Let's begin by considering IRAs and other Qualified Retirement Plans. These assets carry a tax liability that can erode roughly one-third or more of their value

when given to family members. By naming a charity as beneficiary, these taxes are avoided. Swapping the IRA with other (non-taxable) assets can leave more for your family. Therefore, outright gifts of retirement assets are a great way to support your ministries at the end of life.

IRAs and Qualified Retirement Plans also work well with a “Give It Twice” Trust. The trust is created during the donor’s lifetime and is named the beneficiary of the IRA at death (or at the death of the second spouse). The balance of the fund is paid into the trust, which is designed to pay out income to family members over a period of time. The income can be paid for as long as twenty years. By selecting a 5% payout rate, 100% of the value of the trust would be paid out over that 20-year period.

At the end of the 20 years, the remaining balance can be paid out to one or more charities. If the trust earns 5% per year, on average, the remainder should be roughly equal to the original balance. Using the time value of money to multiply the impact of those funds, you will have given it away twice.



What are the tax implications? First, family members would still pay income taxes on the income they receive. There is no way to avoid this. But spreading out the payments over time could significantly reduce their tax burden. And in addition, many parents like the fact that spreading out those payments will help the money last longer.



If the estate is subject to estate taxes, this arrangement reduces the estate tax liability on these assets. (Note that there are several other ways to completely zero out the estate taxes on an estate of any size. So, with proper planning, there should ultimately be no estate tax liability.)

The tax implications to charity are favorable. As a tax-exempt organization, no taxes are paid on the funds they receive. Therefore, every penny of every dollar can be put to use in a way that honors your wishes.

Many of our supporters would love to include DTS in their wills. For some, their only reservation concerns the possibility of lessening gifts for family members. The assumption is that any gifts to charity will reduce the family's inheritance dollar-for-dollar. However, with proper planning, one can leave a generous gift for ministry with little to no reduction to the family's inheritance. The "Give It Twice" Trust is one way to do this.

Estate and gift planning information is offered as a service to our donors. Communications with Gift Planning staff are not intended as, nor should they be construed to be, legal or tax advice and are offered for illustrative or educational purposes only. Be advised that content may be relevant and accurate at the time it was created. However, tax laws change from time to time, and the information provided may or may not accord with current laws. Therefore, it is expressly recommended that you consult an attorney, tax specialist, financial advisor, or other qualified professional to determine how a gift or estate planning decision might affect your circumstances. They can provide the latest tax laws and information for your situation.