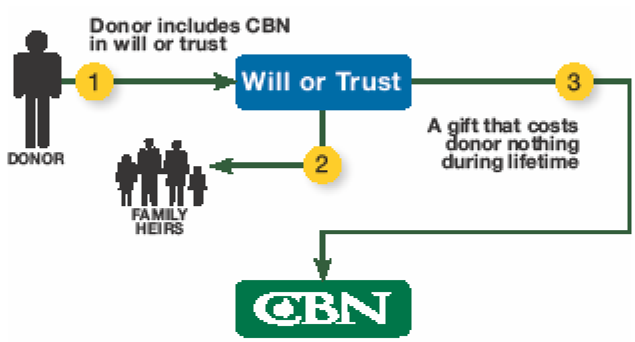
CBNLEGACY.ORG

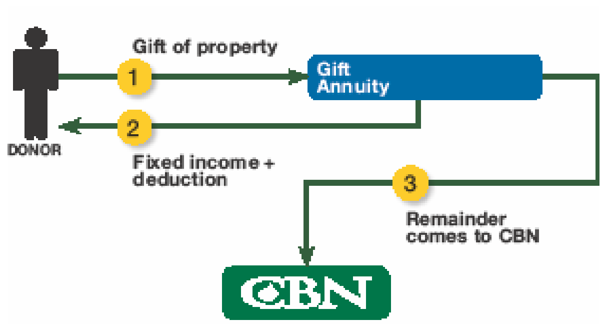
The 7 Most Popular Planned Gifts

1. Bequest – Donor includes CBN in will or trust



Bequest: Donors include a provision in their will directing that a gift be paid to CBN after their death or the death of one of their survivors. Donors can give either a specific amount of money or item of property (a “specific” bequest), or a percentage of the balance remaining in their estate after taxes, expenses, and specific bequests have been paid (a “residual” bequest).

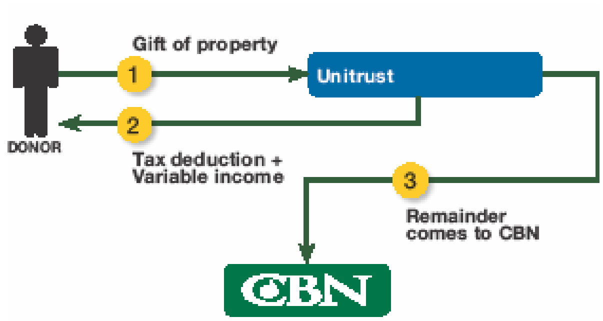
2. Charitable Gift Annuity – Remainder comes to CBN



Charitable Gift Annuity (CGA): Donors make a gift to CBN and in return, CBN agrees to make fixed payments to them for life. Payments may be made to a maximum of two beneficiaries. At the death of the last beneficiary, the remaining balance of the annuity is used by CBN. Gift annuities operate under a simple contract between CBN and the donor. They are not trusts, but rather income obligations backed by CBN’s assets.

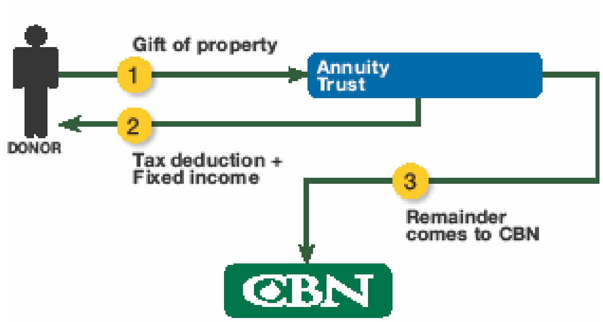
Payments from a gift annuity can be arranged to commence at a future date (a “deferred” gift annuity). Deferring the start of payments gives donors a higher income rate and a larger charitable deduction than they could secure from annuities whose payments start immediately.

3. Charitable Remainder Unitrust – Remainder comes to CBN



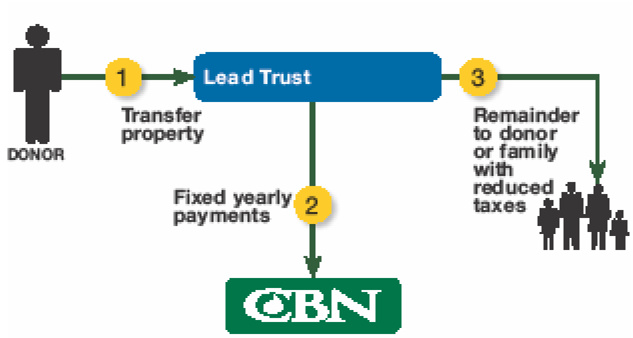
Charitable Remainder Unitrust (CRUT): This trust pays income to the donor and/or other beneficiaries for life or a term of years, and then pays the remaining balance to CBN. Income is paid as a fixed percentage of the unitrust’s value – which is revalued annually. Income and appreciation in excess of the required payments to the beneficiaries are held in the unitrust to allow growth.

4. Charitable Remainder Annuity Trust – Remainder comes to CBN



Charitable Remainder Annuity Trust (CRAT): This trust pays the donor and/or other beneficiaries a fixed-dollar amount of income for life or a term of years, and then pays the remaining balance to CBN. Unlike income from a unitrust, payments from an annuity trust do not fluctuate during the term of the trust.

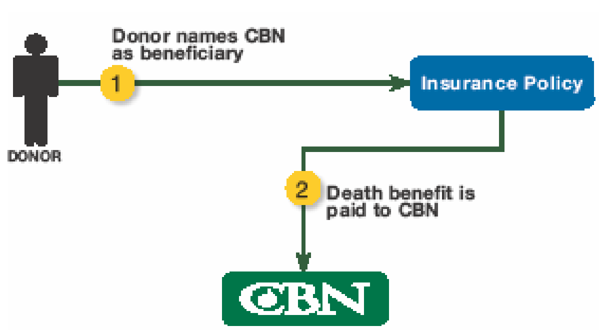
5. Charitable Lead Trust – Fixed yearly payments to CBN



Charitable Lead Trust (CLT): This trust pays income to CBN for a term of years or for the lifetime of the donor. When the lead trust terminates, the remaining balance is returned to the donor or to the donor's heirs.

- Donors who arrange their lead trusts to return the assets to themselves may claim a charitable income tax deduction when they make their gift, for the present value of the anticipated payments to CBN. They are liable for income tax on the lead trust's annual earnings.
- Donors whose lead trusts distribute their remainder to children or other heirs receive no income tax deduction, but can gain significant gift and estate tax savings.

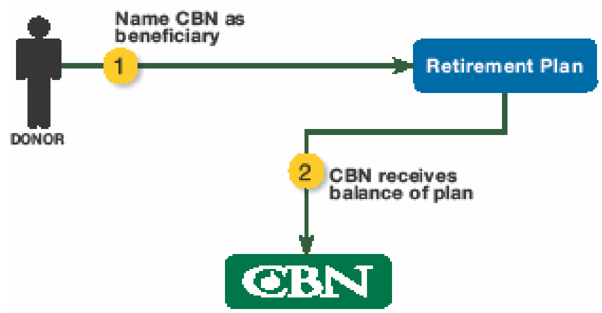
6. Life Insurance – Donor names CBN as beneficiary & death benefit is paid to CBN



Life Insurance: The death benefit of a life insurance policy can be paid to CBN as a charitable gift. Donors have several options in giving CBN life insurance:

- They can contribute a fully paid-up policy, or
- They can contribute a policy on which some premiums remain to be paid. In both of these cases, the donor can claim a charitable deduction for the value of the donated policy, and CBN can "cash in" the policy in advance of the donor's death.
- Donors can (revocably) name CBN as the beneficiary of a life insurance policy that they continue to own and maintain, or
- They can name CBN the owner and beneficiary of a new life insurance policy, and make ongoing gifts that offset the premiums CBN will pay to maintain the policy. There is no charitable deduction available for taking out a new life insurance policy, even if the donor makes CBN the irrevocable owner.

7. Retirement Plans – Name CBN as beneficiary & CBN receive balance of plan



Retirement Plans: Donors can name CBN the successor beneficiary of all or a portion of their IRA, 401(k), or other retirement accounts. The designation is revocable and does not generate a charitable income tax deduction, but:

- Distributions from retirement accounts to surviving family members can be subject to both income and estate tax. Directing the balance of a retirement plan to CBN removes the most-taxed asset from the donor's estate, freeing up other, more favorably taxed assets to give to family and heirs.
- Donors have the reassurance that they can continue to take withdrawals from their plan during lifetime, and that they can change the designation of the charitable beneficiary if their or their family's circumstances change.