

Chapter 27. Family Private Foundation

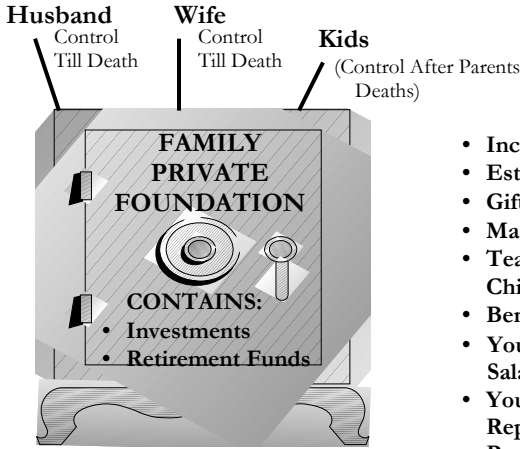
Everyone is motivated to make gifts to charity for a variety of reasons. Depending on your objectives, various techniques exist to not only meet those objectives, but to also achieve substantial tax savings at the same time. The Family Private Foundation is one such popular approach.

This is a charity set up for you by your Estate Planning Attorney which you control. It can hold your tax deductible cash or investment contributions and distribute them over time to other charities. It can also avoid capital gain taxes and investment income taxes. It can also avoid the combined Estate and Income Taxes on Retirement Plan accounts. It can become a charitable program your children can continue.

	Keep For Family	Give To Foundation
Retirement Plan	\$1,000,000	\$1,000,000
Estate & Income Taxes	<u>- 500,000</u>	<u>-0-</u>
What's Left	\$ 500,000	\$1,000,000

This approach also enables you to transfer funds into the Foundation today, claim a tax deduction this year for the entire contribution, but pay the funds out to charity over several years as you determine to do so. Only a 5% minimum needs to be paid out of the Foundation each year.

FAMILY PRIVATE FOUNDATION



BENEFITS

- Income Tax Savings
- Estate Tax Savings
- Gift Tax Savings
- Maintain Control
- Teach Financial Responsibility to Children
- Benefit Charities
- You or Your Children Can Receive a Salary From the Foundation
- You Can Combine With a Wealth Replacement Insurance Trust to Replace the Donated Funds

Distributions to Charities When
You Want