The Last Will and Testament (will)- Is the most fundamental of estate documents The will acts as the instruction guide to how individuals wish their estates to be disposed of at death.

- Property is transmitted at death by one of three methods: by will, by contract, or by operation of law. Property such as retirement accounts typically pass under contract beneficiary designations and real estate and joint accounts pass by operation of law.
- In the case of no will the deceased person advocates their position in directing their estate and gives the authority to the state government in which they reside at death.

Living Trust- Most living trust are revocable so the individual establishing the trust can make alterations as they desire.

- Trust are separate legal entities into which individuals referred to as (grantors) place property. The title of the property must be in the name of the trust.
- As the living trust is a standalone entity it offers a veil to the assets it holds. Probate procedure for instance is avoided.
- Living trust are more expensive then a will because of the complex structure.
- Living trust are a very effective way to manage one's estate but remember the property in the trust is still under the grantors estate for tax purposes

As Christians, philanthropic intent is an integral part of our lives. We recognize the sovereign will of God and his ownership and control over all things. We recognize His commissioned will for all Christians to give glory to God which is fulfilled by our worship and demonstrated through our continual devotion to be like Jesus Christ in conduct and character.

The information presented in this brochure is for informational purposes only it is not to be construed as specific investment advice nor is it an exhaustive analysis of the topic. Prospective donors should always receive professional insight/counsel which is tailored to the donor's specific needs and objectives. The Alaska Baptist Foundation assumes no liability explicitly or implied resulting from actions taken on the general information provided in this brochure.

Contact Information:

Alaska Baptist Foundation

1750 O'Malley Road

Anchorage, AK 99507

Phone: 907-770-0581 or 1-800-883-9627

Email: abf@abf.foundation

Alaska Baptist Foundation

Ways to Give

Charitable Remainder Annuity Trust (CRAT)- *is used in situations where a donor wishes to provide a non-charitable beneficiary with a stream of income for a specific time period (life of the recipient or for a fixed number of years). If a term of years is used, it cannot be* greater *than 20 years.*

- *The income stream must represent at least 5% of the corpus each year* thus the dollar amount received will not change from year to year. In this arrangement, the recipient receives an income tax deduction based on the remainder interest. Which must equal at least 10% of the amount originally provided by the donor. **Special Note: the donor can only make one initial transfer of property as corpus and there can be no additions or increases to the corpus in later years.**

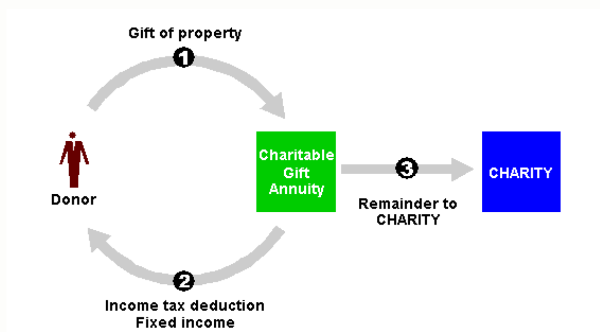
Charitable Remainder Unit Trust (CRUT)- *is similar to CRAT the difference being the donor can make more than one transfer* of property *to the trust. The other difference is that once the trust is established, the corpus must pay out a specific amount of income each year, as a fixed percentage of at least 5%.*

- Because the payout is based on income as opposed to principal, the amount received each year can fluctuate with the performance of the underlying investment. This means that in a positive investment environment higher income payouts are possible. Conversely, the reverse is also true.

Charitable Gift Annuities (CGA)- These are contract arrangements between individual donors and a charitable institution such as the ABF **(not a trust)**. They provide a constant stream of income for the life of the donor/s regardless of the investment performance of the donated assets. the payout percentage of earnings is based on age and whether it is established as a one or two life contract.

- These types of giving instruments work well for elderly couples as they offer a higher percentage payout and a constant stream of income regardless of life span. Because a portion of the gift will ultimately go to charity there are tax benefits. A predetermined portion of each gift annuity payment is tax free, and the remaining amount of each payment is taxable at either capital gain or ordinary income tax rates.

Giving Through a Donor-Advised Fund (DAF)- This type of agreement is established through an individual donor and Typically a public charity such as the ABF. These instruments can be produced during an individual's lifetime or funded at the time of death. The donor/s would specify the DAF in their living trust or will. Property given to a DAF is eligible for a charitable deduction for income and estate tax purposes. The DAF offers incredible versatility for giving to all types of ministries through the ABF, for example a donor/s local church or missions.



Giving Direct Cash and/or other Personal or Real Property-This involves specifying charities such as the ABF receive a specific bequest of cash and/or property such as under the terms of an individuals will or trust. A completed gift of property received in this way would be eligible for income and estate tax deductions for the donor/s estate . Charities such as the ABF would be able to use such gives free of any donor restrictions, unless such restrictions were specified specifically in the will or living trust. Charities would have the right to accept or reject such gifts.