

Supplemental Income for You and Your Family for Life

Save Taxes - Enjoy Lifetime Income
and Benefit Community

For decades, families have used the Capital Gains Bypass Trust to reduce income taxes, convert assets like real estate, stock or other investments into supplemental income for life, while bypassing capital gains tax.

John & Martha were tired of managing their rental property, but still needed the income. They had completely depreciated the property over the years and would have a huge capital gains tax liability if they sold.

Instead they created a Capital Gains Bypass Trust with The Salvation Army and started receiving income now, and are comforted to know that the income will continue for their two children's lifetime. The total income to their family could easily increase more than three-fold the original funding value.

CONCEPT CHART OF INCOME AND TAX BENEFITS

Income Beneficiary Ages: 68 & 71	Life Expectancy: 26 years	
Features	Sale & CD	CGBT
Fair Market Value*	\$1,100,000	\$1,100,000
Cost Basis	\$200,000	\$200,000
Long Term Capital Gain	\$900,000	\$900,000
Capital Gain Tax @ 25% Fed & State	\$225,000	\$0
Funding Value	\$875,000	\$1,100,000
Interest or Payout Rate	3.00% CD	5.00%
Beginning Annual Payout	\$26,250	\$55,000
Projected Annual Payout at Maturity	\$26,250	\$97,100 **
Charitable Deduction	\$0	\$430,300
Total Benefits to You Over Lifetime	\$682,500	\$1,927,900
Salvation Army Remainder	\$0	\$1,986,800

*Funding value will vary depending upon real estate commissions & sale value

**Assumed average investment return of 6.7% net

THE SALVATION ARMY
Office of Gift Planning
30840 Hawthorne Blvd
Rancho Palos Verdes, CA 90275



PROVIDE FOR YOUR
FAMILY'S FUTURE



Sell & Receive

the most from your
Appreciated
Assets



**RECEIVE
INCOME
FOR LIFE**

and
Bypass Capital Gains!

*Want secure income from your
appreciated assets or get out
from under a 1031 Exchange,*

**but hesitate because of a huge
Capital Gains Liability?**

The
**CAPITAL GAINS
BYPASS TRUST**
may be the answer...



Strength and Stability
since 1865

Who Could Benefit From This Trust?

It is a 100% IRS approved way to sell appreciated assets **tax-free**, and is **not a 1031 Exchange**.

- A **rental property owner** would like to increase net cash flow and/or is tired of managing property, but has a significant capital gains tax and a 1031 exchange is not the right fit.
- An **investor** would like to diversify his or her portfolio or generate more income from it, but doesn't want to sell any existing rental property, stocks, bonds or mutual funds because of a huge capital gains tax liability.
- A **retiree** wants to sell his or her home, downsize and maybe live in a retirement community or closer to the kids or grandkids - but won't sell because the capital gains exclusion is not enough to eliminate heavy capital gains taxes.
- A **business owner** wants to sell and retire on the income generated by the proceeds, but faces a huge capital gains tax before he or she can reinvest the proceeds.
- A **high bracket income taxpayer** would like a five or six figure tax deduction.



How Does a Capital Gains Bypass Trust Work?

You transfer money or property to a Capital Gains Bypass Trust (CGBT). This removes the property from your estate and allows you to enjoy a significant immediate income tax deduction. The tax deduction can be carried over for an additional five years. The trustee manages the Trust and sells any appreciated property free of capital gains tax and then pays you and your beneficiaries income for life.

You name the Trust beneficiaries - yourself and/or your spouse, or anyone you choose. The Trust can pay you for your lifetime and then provide income to all your children for their lifetime. The trustee invests the assets and makes monthly, quarterly or annual income payments for the life of all the designated beneficiaries, or for a specific term of years up to 20 - your choice. These income payments are based on the value of the Trust assets and can be a fixed amount or a fixed percentage of the value of the Trust as calculated annually. A fixed percentage allows for the income to potentially increase as the value of the assets grow tax-free within the Trust.

The Salvation Army can serve as the Trustee and prepare all the necessary Trust documents - all at no cost. When the Trust term ends, the trustee pays out the remaining assets to The Salvation Army and other designated charities.

For More Information or
Request Your **FREE** Booklet

Scan QR Code to order



Legacy@usw.SalvationArmy.org
www.SalWest.org

Capital Gains Bypass Trust Features:

- 🛡️ **Income for life** for YOU and/or others
- 🛡️ Double or even triple **lifetime income**
- 🛡️ Immediate income tax **tax deduction**
- 🛡️ **Bypass of capital gains** tax
- 🛡️ Diversification and **protection of assets**
- 🛡️ **Meaningful impact** on favorite charity
- 🛡️ Documents prepared at **no cost***

*The Salvation Army must be the primary charitable beneficiary.



LIFETIME INCOME

for you now and then to your children for their life, or through your Will for your children and grandchildren.