

Many Americans will take stock of their investment portfolio this year and discover that they own one or more assets that produce little or no income.

You will likely consider simply selling the asset and reinvesting the proceeds in a way that will generate greater income.

Unfortunately, if you follow this strategy you will lose some of the value of your asset to capital gains tax.

If you own highly appreciated assets and would like to turn these assets into cash while reducing tax on the appreciation, let us show you how!



**I have read your brochure and:**

- I would like to speak with someone who can provide additional information.
- I would like to receive information on other charitable gift planning options.

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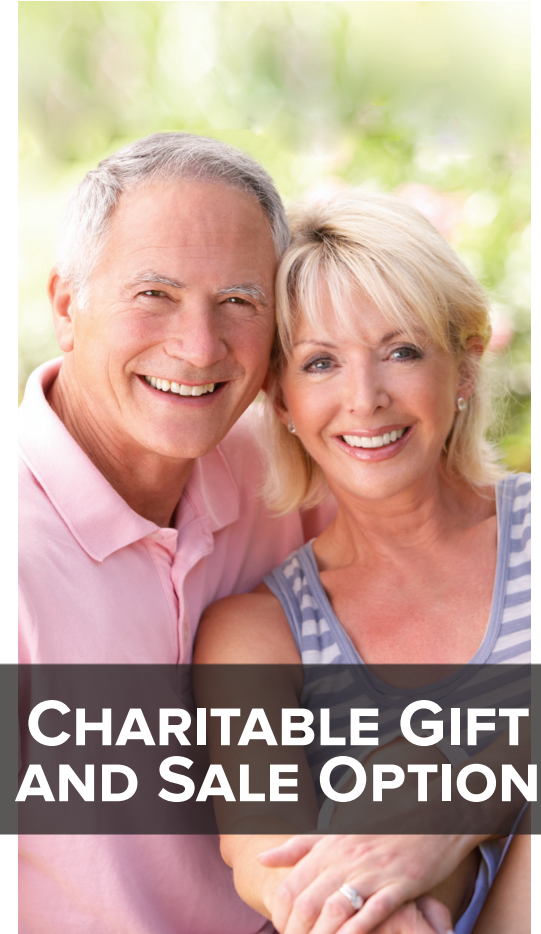
*Please complete and return. All inquiries are treated with complete confidentiality.*



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This information is not intended as tax, legal, or financial advice. Gift results may vary; consult your personal financial advisor for information specific to your situation.

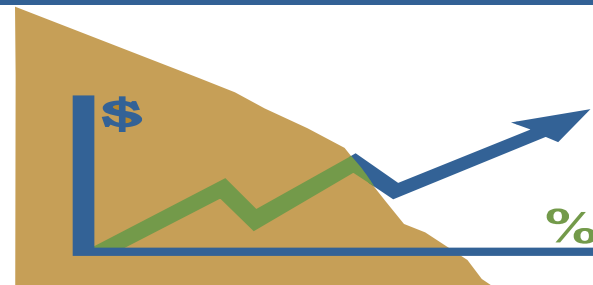
## A PLAN FOR LOW YIELDING APPRECIATED ASSETS



## CHARITABLE GIFT AND SALE OPTION



# UNLEASH THE VALUE OF A “DOUBLE BENEFIT”



The phrase “low-yield asset” may be familiar to you, if you have invested over the past two or three decades. Now the most frequently asked question is when to sell your assets.

If you are like many people, you will pay significant tax on the sale of your assets. This tax instantly reduces any cash proceeds you may receive from the sale.

But there is a way to avoid taxes and benefit ministry with your investments. This is good news for anyone whose objectives include charitable giving.

## Anatomy Of The Gift and Sale Strategy

Several years ago, Pat and Ruth invested \$10,000 in a stock they believed was destined to grow. They were right. The current value of their stock is five times its original cost! However, it produces very little income. The couple had two objectives prompting them to consider selling the stock. They wanted to:

- Make a charitable contribution
- Reinvest to generate more income

The illustration shows the tax benefit of the Gift and Sale plan. Prior to selling the stock, the Samples give 10% (\$5,000 in value) of the stock to the EFCA Foundation. This gift results in a charitable income tax deduction that will save them \$1,650 on their tax return.

Also the capital gains tax due on the \$5,000 of stock given to our ministry is completely bypassed – saving another \$600! Finally, the \$1,650 of income tax savings partly offsets \$5,400 of capital gains tax due on the \$45,000 of stock sold by the couple.

So, by giving a portion of the stock prior to any sale, Pat and Ruth make a \$5,000 charitable gift, and net \$41,250 to reinvest. All considered, the Gift and Sale strategy actually delivers amazing benefits!



## Eliminate 100% Of Capital Gains Tax!

A Gift and Sale plan may be structured to produce an income tax deduction that completely offsets the tax due on the sale of stock.

If you would like to learn how the double-tax benefit of the Gift and Sale plan can help you realize your stewardship goals and diversify your assets, please contact us.

