Charitable Remainder Unitrust Case on AssetFlow inside Truth Concepts.

CASE FACTS:

RE investor age 50 Where do you store your cash?

$250,000 in cash adding 60k/yr (coming from his real estate)

Money must stay liquid to pay for repairs

$4.5 million building today, had for 9 years, grown by 1 mil (at 3%/yr)

$9000 prop tax/mo

$1250 prop ins/mo

$25,000/mo maintenance includes 100k annual salary he's taking on top of his

Gross income of 90k, (from business office renting out office space)

Earned income $100k, inflated, taxed, fica and medicare and self employed

Wife is teacher making $63k/yr also inflated

Current SS benefit (age 67) 30,552 him 22268 her (defer to age 70 and calculator will adjust)

Qualified Plan: $54,000k/yr, at 6% account growth and increasing contribution at 3% a year

Expenses: Section 1, $189,890/yr in expenses, growing at 3% inflation (to age 69) to $332,973 with no additional expenses added

Section 2, education, 2 kids, 4yrs 40k/yr over 8 years (age 50 to 57)

Section 3, now age 70, $342,962 of expense growing to 965,049 to age 105 at 3%

His PLAN (AssetFlow CURRENT) **

Sell his RE at age 70 for 8 mil (1 mil gain, plus depreciation recapture tax)

Stocks and mutual funds received net after tax of $6,000,000

Summary Section: total net cash flow

Living expenses (extra to Prosperity Flow Through Account (PFTA))

Age 100 he's out of money, just has his personal residence

Income required 989k/yr

So 6 million of RE supplied only 30 years of income

Cash flows: see what categories the money is flowing from

Our STRATEGY (Asset Flow 2, Charitable Remainder Trust with the Real Estate)*******************

(tax advantages along with a charitable gift, problem is family is dis-inherited unless

there is a wealth Replacement Trust, funded with permanent life insurance.)

Ordinary taxable: had been 60k in, now pulling 13k/yr out

Bought life insurance, $43,717 premium for him (life insurance 1)

and life insurance 2 a $30,000 premium for her

(By doing a paydown of the 250k in cash plus the 60k he had been saving)

Now by selling the RE through a CRT, we can take income starting at age 70, from 8 million and spread the charitable deduction over 6 years. And since we have the deduction, we can take money from the Qualified plan money over a shorter time frame.

Summary Section:

Now he can provide income to age 102, on top of being charitable, and he has 12 million of networth still. Now he can do a reverse mortgage using the life insurance to back it up and he can

take income from the cash value left (7 million of the 12) for his remaining years.