

Retained Life Estate



Description

A Retained Life Estate will allow you to donate your house, or any house you own, to Camp Fire First Texas and live in the residence for the rest of your life, a designated number of years, or a combination of the two.

Key characteristics

- Immediate tax deduction (up to 30% of adjusted gross income) on the property's fair market value less the value of your right to keep using property
- Completely eliminate capital gains tax for gifts of long-term (i.e. longer than a year) real estate
- Retain use of property
- Donor is responsible for all property taxes, upkeep, repairs, and insurance of property
- Must be agreed upon by Camp Fire before gift is made to ensure ease of liquidation for Camp Fire
- Property must be appraised by an outside company to ensure fair market value

Details

Through a Retained Life Estate gift, you have the luxury of living in your household for the rest of your life, or a term of years. This type of gift will allow you to make a substantial gift to Camp Fire while not disturbing your cash flow or living situation. Your gift will be able to be used as a charitable deduction based on the fair market value of your residence minus the value of the life tenancy you retain. Fair market value will be determined by an external appraiser.

The legal documents required for setting up a Retained Life Estate are simple, and they include a remainder deed for the property and a contract outlining Camp Fire First Texas' and your responsibilities for the property's ongoing and capital expenses. As a life tenant, you will be responsible for the maintenance, property taxes, and insurance of the property while you continue to reside in the property. Upon conclusion of the retained life estate, the property will become Camp Fire's, and Camp Fire will be free to use the property or sell it, as it deems appropriate.*

** The Council reserves the right to refuse any proposed gift. Unless otherwise approved by Camp Fire First Texas, gifts may not be directly or indirectly subjected by a donor to any material restriction or condition that would prevent the Council from freely and effectively employing the transferred asset, or the income derived therefrom, in furtherance of its exempt purposes.*

Legacy. Middlebury College. Retained Life Estate. Web. 16 June 2015. <<http://www.legacy.vg/middlebury/brochures/7003.pdf>>

Yogananda SRF. Gifts of Real Estate. Web. 15 June 2015. <http://www.yogananda-srf.org/uploadedFiles/aboutsrf/supportsrf/Planned_Giving/RetainedLifeEstate.pdf>

