



## Learn More

Thank you for your interest in making a gift to Senior Services for Northern California. We would be happy to speak with you about Charitable Remainder Trusts, The Tomorrow Fund, and other giving options. Please contact us at [giving@sequoialiving.org](mailto:giving@sequoialiving.org) or (415) 202-7805 to learn more.

# How Senior Services for Northern California Can Benefit You

BEFORE & AFTER YOU MOVE IN

## Welcome!

Established in 1987 as the supporting organization of Sequoia Living, Senior Services for Northern California is dedicated to improving the lives of seniors from all income levels and backgrounds.

We raise funds that help Sequoia Living residents and seniors throughout the Bay Area stay healthy, live independently, and engage in life-enriching activities.



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Senior Services for Northern California Senior Services for Northern California is a registered 501(c)(3) nonprofit organization. Our Federal Tax ID number is 94-6615829. Your donation is tax deductible to the fullest extent allowed by law.



Senior Services for Northern California





## Charitable Remainder Trusts

### Reduce Capital Gains, Create Income for Life, and Leave a Legacy

Are you concerned about high capital gains taxes after you sell your home or other appreciated asset? A Charitable Remainder Trust may be the solution you need.

#### BENEFITS OF A CHARITABLE REMAINDER TRUST

- You and/or your spouse will receive income for life.
- You will receive a charitable gift income tax deduction for a portion of your gift.
- You will reduce capital gains on the sale of your appreciated assets.
- You can leave a legacy gift that benefits your Sequoia Living community and/or a Sequoia Living Community Services Program.

The minimum amount of a Charitable Remainder Trust is \$200,000. Senior Services for Northern California prepares all the trust documents and pays you quarterly.

#### HOW IT WORKS

A donor is 74 and is ready to move to a Sequoia Living community. The donor bought their home for \$550,000 and it is now valued at \$2,600,000. The chart compares selling the home by owner versus selling it with a Charitable Remainder Trust.

#### Two scenarios (see chart to the right):

- The donor sells their home on their own.
- The donor puts 20% in a Charitable Remainder Trust and retains 80% of the home's value.

#### CRT ACCOUNT SCENARIO

	Sell on Your Own	Retain	Put in Trust	Put in Trust	
				Capital Gain Tax Savings	Annual Income Difference
	100%	80%	20%		
Market Value	\$2,600,000	\$2,080,000	\$520,000		
Cost Basis	(550,000)	(440,000)			
Realtor's Fee (5%)	(130,000)	(104,000)	(26,000)		
Exclusion	(250,000)	(250,000)			
Charitable Deduction		(260,000)			
Trust Principal			\$494,000		
Capital Gains	\$1,670,000	\$1,026,000			
Capital Gains Tax (30%)	\$501,000	\$307,800			
Capital Gain Tax Savings				\$193,200	
Estimated Annual Income					
Market Value	\$2,600,000	\$2,080,000	\$520,000		
CCRC Entry Fee	(700,000)	(700,000)			
Realtor Fee	(130,000)	(104,000)	(26,000)		
Capital Gains Tax	(501,000)	(307,800)			
Total	\$1,269,000	\$968,200	\$494,000		
Income (5%)	\$63,450	\$48,410			
Trust Rate (5%)			\$24,700		
Annual Income	<b>\$63,450</b>	<b>\$73,110</b>			
Annual Income Difference					\$9,660
Capital Gain Tax Savings Plus Annual Income Difference				<b>\$202,860</b>	

#### Assumptions:

- Cost Basis = (original cost of home when purchased) = \$550,000
- Realtor's Fee = 5%
- Exclusion = \$250,000 for single; \$500,000 for couple
- Capital Gains tax = 30% (includes federal and state)
- Entrance Fee = \$700,000

#### Important:

- A Charitable Remainder Trust funded with real estate must be established before your home is put on the market, and you may not reside in the home thereafter.
- IRS rules require the donor to obtain, at their expense, a qualified appraisal with specific requirements. We can provide an information document to give to your appraiser.



## The Tomorrow Fund

### Providing Security and Peace of Mind

Sometimes residents in our continuing care retirement communities outlive their financial resources through no fault of their own and can no longer afford their monthly care fee. The Tomorrow Fund provides confidential financial assistance so these residents can remain in their home.

#### HOW IT WORKS

If a single resident falls below \$60,000 in assets or a couple falls below \$100,000 in assets and their expenses exceed their income, SSNC helps them create personal budgets and investment strategies. Senior Services for Northern California also provides monthly grants from The Tomorrow Fund, which are applied to their monthly care fee. To protect residents' privacy, these arrangements are held in the strictest confidence.

#### ATOMORROW FUND STORY

Mr. Finley\* lived very simply and carefully. One of his daughters paid his entrance fee for a studio 15 years ago. He continued to work as a part-time carpenter until he turned 82 and his arthritis became worse. Soon, his expenses exceeded his income and his assets were rapidly being depleted. Mr. Finley tried to disguise his need for a few months, which led him to become increasingly anxious and only exacerbated his physical problems. When Mr. Finley came to SSNC, we helped him with a budget and provided support through The Tomorrow Fund. It was a hallmark day when he remarked, "With my anxiety gone, I feel five years younger!"

\* Names and identifying information have been changed to respect the confidential nature of this fund.