



## RETAINED LIFE ESTATE

If you own real estate, you may wonder what to do with it at the end of your life. Your family may not need it and might want to avoid the complications of selling it as part of your estate. You may consider donating it, but worry about adding complexity to your estate plan.

**There is an easy way to use your real estate to create a charitable legacy and simplify your estate at the same time. It's called retained life estate.**

At the Saint Paul & Minnesota Foundation, we've been helping Minnesotans make gifts of real estate for the benefit of their favorite causes for decades.

### HOW A DONOR ADVISED FUND WORKS



### GET STARTED TODAY

- 1 Talk with a Foundation Gift Planner about your charitable goals.
- 2 Our experienced staff will work with you and your advisors to arrange for the gift of a home, farm or vacation property.
- 3 Establish your own donor advised fund (DAF) that can easily accept a gift of real estate. You maintain use of the property for your lifetime.
- 4 After your lifetime, the Foundation sells the property tax-free with proceeds available to distribute to your favorite causes.

### OUR PROMISE TO YOU

- + You will be guided each step of the way.
- + You will work with a local partner who will act in your best interest at all times.
- + Your goals are our goals.
- + You will get more than a transaction. You will get a trusted partner in giving.
- + You will work with a local team who knows the community.

## FINANCIAL BENEFITS

- At the time of the gift, you may be entitled to a charitable income tax deduction for a portion of the value of the property.
- Capital gain is typically avoided upon transfer.
- You maintain use of the property for your lifetime.
- If you ever decide you no longer want to use the property, you can either donate your life use of the property with the opportunity for an additional charitable deduction or we can jointly sell the property with proceeds split between you and your DAF.



## How Jack Used A Retained Life Estate to Establish His Donor Advised Fund

Jack has farmed his family's land since he inherited the farm from his parents. Jack is an only child and never married. He stopped farming a few years ago and sold the land to a neighboring farmer. He kept the homestead and still lives there today.

Jack is concerned about what to do with the property after he's passed. He worries that the homestead could add complexity to his estate that he doesn't want. Jack called his cousin, Samantha, a real estate attorney, to get advice.

Samantha suggested donating the homestead. He could make the donation now and still live in the property as long as he liked. That would prevent the homestead from going through probate and may entitle him to a charitable income tax deduction.

After some research, Jack decided to donate the homestead through a donor advised fund and retained a life estate for himself. This allows him to live there for the rest of his life and allows the property to benefit multiple causes, not just one. Samantha recommended the Saint Paul & Minnesota Foundation based on the good experiences of several of her clients.

Jack contacted a Gift Planner and created a donor advised fund. He donated the homestead and retained a life estate for himself.

When Jack passes away, the Foundation will take possession of the homestead, sell it, and transfer the proceeds to Jack's donor advised fund. The fund will make annual grants to his favorite nonprofits for years to come.

Start a conversation with a Gift Planner today.  
Call 651.224.5463 or email the team at [philanthropy@spmcf.org](mailto:philanthropy@spmcf.org).