



Powerful Tax Planning Idea for 2023 Fund a Charitable Pooled Trust (CPT)

Historically High Tax Deduction • Lifetime Income • Capital Gains Tax Elimination
Approximately 140% or Higher Deduction for Charitable Funds

Through December 31, 2023, contributions to Charitable Pooled Trusts (CPTs) capture powerful tax benefits many of which expire at the end of 2023. Donors who make contributions to CPTs in 2023 secure all the following benefits:

- Receive a historically high tax deduction – Ex. 55-year-old-couple = 51% deduction.
- Receive investment income generated by the CPT with no payout limits – Payments may increase over time to keep up with inflation.
- Avoid capital gains tax on contributed assets.
- Donor may forgo the lifetime income stream by forward gifting the CPT to a charitable giving fund and capture additional tax deductions (between 80% and 90% of the CPT balance). The initial deduction plus the “forward gift” deduction is approximately 140%.
- Reduce taxable estate without using any estate tax exemption.

Families who are planning to make gifts to charity in the future, or even from their estate, can capture additional tax and financial benefits by funneling planned future contributions through a CPT first.

A quick checklist to see if you may be a candidate for a 2023 CPT contribution:

- In aggregate, do you plan to give at least \$250K to charity over the next 10 to 15 years?
- Do you have the financial ability to “park” at least \$250K of your future contributions in a CPT today?
- Is an additional tax deduction on your 2023 tax return valuable? Are you in a high tax bracket?
- BONUS: Do you hold appreciated stocks or mutual funds that could be used to fund your CPT? If “Yes”, you can eliminate capital gains tax on those holdings and convert them into income-producing investments.

Schubert & Company, Inc. manages over \$24 million in CPT investmentsⁱ. Please reach out to us if you would like to have a confidential discussion to see if a CPT might be a wise planning option for you in 2023.

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IMPORTANT DISCLOSURES

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Past performance is not a guarantee of future results.

ⁱ as of 09/30/2023