



LegacyTree Foundation

Deferred LegacyPlan

Prepared For:

Valued Client

\$500,000 Asset Transfer LegacyPlan 10 Yr. Projected Deferral, 20 Yr. Term Certain Payout

Presented By:

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www.LegacyTreeFoundation.org

All dollar amounts and calculations in this illustration are projections and estimates based upon information provided to Legacy Tree Foundation (LTF). The installment payments in the Final Contract Illustration will be adjusted to reflect final asset values at the time of ownership change. LTF does not provide legal, tax, or financial advice. LTF LegacyPlans are charitable planned giving transactions as outlined in the IRS code and are not investments and should not be represented as investments. LegacyPlans are not FDIC insured. You should consult with your advisor(s) to determine the benefits of the LTF LegacyPlan as it relates to your personal financial situation and goals and objectives. LegacyPlan programs are not available in all states.

All payouts quoted are good for 30 days.

Dated

July 2, 2014

Ver 20130823

Preliminary



**Valued Client
Term Certain LegacyPlan**

**Value of Assets Being Transferred
to LegacyTree Foundation***

\$500,000.00

Your New LegacyPlan Payout Structure

<u>Income Start Date</u>	<u>Term of Years</u>	<u>Monthly Payout</u>	<u>12 Month Total</u>
July 15, 2024	20	\$2,801.46	\$33,617.52

Your LegacyPlan Charitable Benefit

<u>Charitable Tax Deduction</u>	<u>Estimated Income Tax Bracket</u>	<u>Projected Tax Savings</u>
\$250,868	28.00%	\$70,243

Note: Tax Deduction can be used to reduce AGI by up to 30-50% annually with possible 5 yr. carry-forward.

Summary of LegacyPlan Benefits

LegacyPlan Payout over Term of Years	\$ 672,350.40
Plus: Estimated Tax Savings Due to Tax Deduction	\$ 70,243.00
Total Value of LegacyPlan <small>Income Payout + Projected Tax Savings</small>	\$ 742,593.40
Upfront Recommended Charitable Grant (if any)	\$ 15,000.00

Valued Client

Analysis of LegacyPlan Tax Deduction on Income

Impact of Charitable Income Tax Deduction on Ordinary Income Taxes

Assumed Adjusted Gross Income (Current)	\$200,000
LESS: LTF Tax Deduction Applied @ 50%*	<u>\$100,000</u>
Projected New Taxable Income	\$100,000
Remaining Tax Deduction Carry-Forward	
Total LTF Charitable Tax Deduction	\$250,868
LESS: Deduction Utilized This Year	<u>\$100,000</u>
Remaining Tax Deduction Carry-Forward	\$150,868

This analysis is designed to show you how your taxes might be affected by a LegacyPlan. The LegacyPlan tax deduction can be used to reduce your Adjusted Gross Income (AGI) by up to 30-50%, depending on the type of asset utilized to fund the LegacyPlan. Any remaining unused deduction can be carried forward for up to 5 years. Note that the Pease provisions reinstated for tax year 2013 reduces all tax deductions by 3% of the amount that the adjusted gross income exceeds \$300,000 for marrieds and \$250,000 for singles, with the reduction capped at 80% of the total value of all deductions.

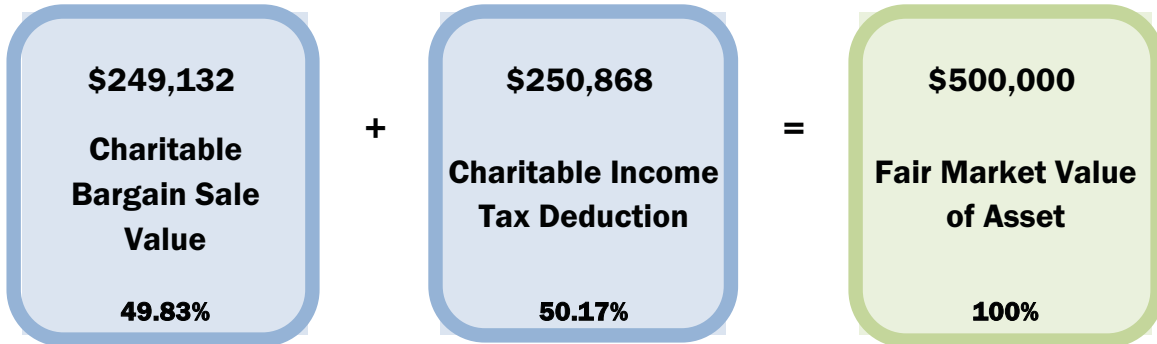
You should always consult your own tax advisor to confirm the benefits of a LegacyPlan for your personal situation. LegacyTree Foundation does not provide tax or legal advice.

www.LegacyTreeFoundation.org



**Valued Client
Term Certain LegacyPlan**

The Term Certain LegacyPlan is a combination of a Charitable Bargain Sale combined with an Installment Sale*. This means that LegacyTree Foundation is PURCHASING your asset at a discounted (or charitable bargain sale) value. The difference between the discounted value and the fair market value of your asset is the charitable income tax deduction. See the graphic below. LegacyTree Foundation is then agreeing to pay you through installment payments, with interest, over a period of time. The installment payments can begin immediately or be deferred to a point in the future that you determine. The payments will continue to be paid to you or your designated beneficiaries for the full term of years you selected. The total payout from your LegacyPlan as shown on Page 2 may be more or less than the fair market value of the asset you transferred to LTF, depending on the structure of your LegacyPlan.



*A Term Certain LegacyPlan is described in the Code of Federal Regulations (26 CFR 1.1011.2) as a Charitable Bargain Sale combined with an Installment Payment Contract under Internal Revenue Code (IRC) 453.

I understand that a Term Certain LegacyPlan with LegacyTree Foundation is a charitable planning transaction and is not an investment and that the tax and income benefits are unique to charitable planning programs. I also understand I am supporting the charitable mission of LegacyTree Foundation and in addition may recommend other charities to benefit from my LegacyPlan.

Owner

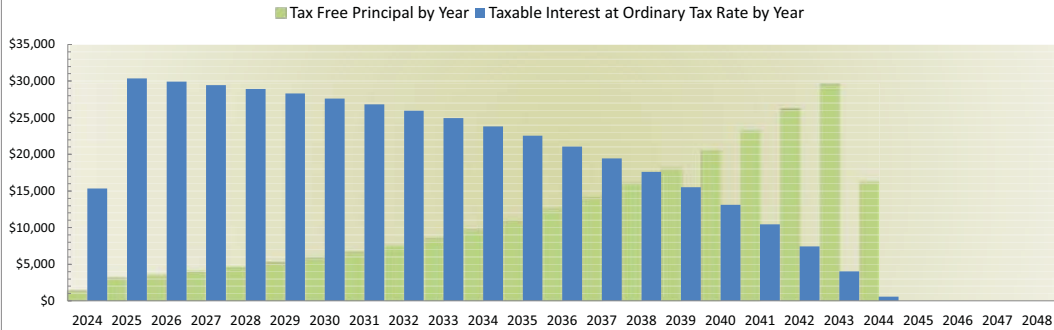
Co-Owner



Term Certain LegacyPlan Payment Summary

Valued Client

Payment Summary



Year	Taxable Interest at Ordinary Tax Rate by Year	Taxed At Capital Gains Rate By Year	Tax Free Principal by Year	Annual Gross Payout	Estimated Annual Net After Tax Cash Flow
2024	\$15,326.86	\$0.00	\$1,481.90	\$16,808.76	\$12,517.24
2025	\$30,366.47	\$0.00	\$3,251.05	\$33,617.52	\$25,114.91
2026	\$29,942.00	\$0.00	\$3,675.52	\$33,617.52	\$25,233.76
2027	\$29,462.12	\$0.00	\$4,155.40	\$33,617.52	\$25,368.13
2028	\$28,919.59	\$0.00	\$4,697.93	\$33,617.52	\$25,520.04
2029	\$28,306.21	\$0.00	\$5,311.31	\$33,617.52	\$25,691.78
2030	\$27,612.76	\$0.00	\$6,004.76	\$33,617.52	\$25,885.95
2031	\$26,828.77	\$0.00	\$6,788.75	\$33,617.52	\$26,105.46
2032	\$25,942.42	\$0.00	\$7,675.10	\$33,617.52	\$26,353.64
2033	\$24,940.34	\$0.00	\$8,677.18	\$33,617.52	\$26,634.22
2034	\$23,807.44	\$0.00	\$9,810.08	\$33,617.52	\$26,951.44
2035	\$22,526.61	\$0.00	\$11,090.91	\$33,617.52	\$27,310.07
2036	\$21,078.57	\$0.00	\$12,538.95	\$33,617.52	\$27,715.52
2037	\$19,441.46	\$0.00	\$14,176.06	\$33,617.52	\$28,173.91
2038	\$17,590.61	\$0.00	\$16,026.91	\$33,617.52	\$28,692.15
2039	\$15,498.10	\$0.00	\$18,119.42	\$33,617.52	\$29,278.05
2040	\$13,132.40	\$0.00	\$20,485.12	\$33,617.52	\$29,940.45
2041	\$10,457.83	\$0.00	\$23,159.69	\$33,617.52	\$30,689.33
2042	\$7,434.06	\$0.00	\$26,183.46	\$33,617.52	\$31,535.98
2043	\$4,015.50	\$0.00	\$29,602.02	\$33,617.52	\$32,493.18
2044	\$588.50	\$0.00	\$16,220.26	\$16,808.76	\$16,643.98
2045	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2046	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2047	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2048	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2049	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2050	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2051	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2052	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2053	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2054	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Totals	\$423,218.61	\$0.00	\$249,131.79	\$672,350.40	\$553,849.19

Annual Payout as a % of Asset Value **6.72%**

Note that this a payout rate and does not represent an interest rate, yield or rate of return.

LegacyTree Foundation, 1600 Westgate Circle, Suite 200, Brentwood, TN 37027

2013 Tax Rates and Brackets

Rate	Single Filers	Married Joint Filers
10%	\$0 to \$8,925	\$0 to \$17,850
15%	\$8,925 to \$36,250	\$17,850 to \$72,500
25%	\$36,250 to \$87,850	\$72,500 to \$146,400
28%	\$87,850 to \$183,250	\$146,400 to \$223,050
33%	\$183,250 to \$398,350	\$223,050 to \$398,350
35%	\$398,350 to \$400,000	\$398,350 to \$450,000
39.6%	\$400,000 and up	\$450,000 and up
	Break Point for Income to go below 15% after L	
	\$51,750	\$103,500
	Capital Gains Rate if in 15%	Capital Gains Rate if in 15-35%
	0%	15%
	Pease Haircut Summary	
This provision reduces all tax deductions by 3% of the amount that the \$300,000 for marrieds and \$250,000 for singles, with the reduction cap		

Head of Household Filers	
\$0 to \$12,750	
\$12,750 to \$48,600	
\$48,600 to \$125,450	
\$125,450 to \$203,150	
\$203,150 to \$398,350	
\$398,350 to \$425,000	
\$425,000 and up	
TF Tax Deduction	
\$69,000	
Capital Gains Rate if in 39.6%	
23.8%	
adjusted gross income exceeds \$31 oped at 80% of the total deduction.	