



EPISCOPAL HIGH SCHOOL

Retained Life Estates

Your home is one of your most valuable assets. With a retained life estate, you can give your home to us now but continue to live in it for as long as you wish.

Make a greater gift than you might have thought possible and receive immediate tax benefits without changing your living situation.

A retained life estate may be right for you if:

- You want to continue to live in your home.
- You do not plan to pass on your home to family or other heirs.
- You itemize your income tax deductions and want to save on income taxes now.
- You want to make a significant gift to Episcopal.

A retained life estate is an irrevocable arrangement between you and Episcopal. You deed your home to us in exchange for an agreement that gives you the right to live in your home for as long as you choose, even for the rest of your life. When your retained life estate arrangement ends, your home becomes our property to use or sell. Typically, we will sell your home and use the proceeds.

Irrevocable Gift

A retained life estate is an irrevocable arrangement. Once you deed your home to Episcopal, you cannot change your mind and get your ownership back. This requirement assures that the value of your home will go to support Episcopal.

Give your Home, Second Home, or Farm

Most donors create retained life estate arrangements using their home. It is also possible to create a retained life estate with a second home or any other structure that functions as your residence, such as a boat. You may also create a retained life estate with a farm, including raw farmland.

Your Responsibilities

You will be responsible for all regular expenses on your property while you live in it. These expenses include routine maintenance, property taxes, utility bills, and insurance.

Tax Benefits

You will receive an income tax charitable deduction in the year of your gift. The amount of the deduction will depend on the value of your home and how long your plan will last. If you itemize instead of taking the standard deduction you could save significant income taxes. If you cannot use your entire deduction in the year of your gift, you may carry forward all unused deduction for up to five additional years if you are eligible to itemize in each of those years.

By removing your home from your estate, you may also reduce estate taxes and probate costs when your estate is settled if your estate exceeds the then applicable estate tax credit.

How Long Can My Plan Last?

You most likely will want to retain the right to live in your home for the rest of your life, or for the lives of you and your spouse. Other possible terms include more than two lives, a specific number of years, or a combination of lives and years.

Ending Your Plan Early

If you decide you no longer want to live in your home for any reason, you can end your retained life estate early either by giving your remaining interest to Episcopal or by selling your property in cooperation with us.

Special Considerations

Giving your home to our organization requires some extra steps of which you should be aware. These steps include the following:

- You will need to establish the value of your property by obtaining a qualified appraisal.
- We will need to examine your property and conduct our own analysis of its value. For example, we will want to know if there are any debts, taxes, or liens owed on your property.
- Once we accept your gift of real estate, we could become responsible for cleaning up any environmental problems your property may have. This sort of cleanup could be very expensive. Therefore, before we accept any gift of real estate, we routinely conduct a review to make sure the property has no environmental issues.