

# THE “GIVE IT TWICE” TRUST

**A** very popular option for parents with children is called the “Give it Twice” trust. This is a trust funded when the surviving spouse passes away. Part of the estate is transferred outright to children. The balance is placed in a special “Give it Twice” trust.

This trust pays income to children for a term of years—usually 20 years. The income can be divided equally among the children for that period of time. Following the selected term of years, the trust is then transferred to a charity.

In effect, the property has been used twice—once to benefit children with income and the second time to help charity at the end of the trust.

For example, let’s just say an estate is approximately \$800,000 at the death of the surviving spouse. Possibly the home and CDs are valued at \$400,000 and the IRA is valued at \$400,000. The children can benefit equally with an initial amount by transferring the home and CDs in equal amounts to each child. The designated beneficiary of the IRA (\$400,000) can be a charitable remainder trust that distributes income in equal shares to the children for twenty years. At the end of twenty years the trust principal is transferred to a favorite charity or ministry.

## Benefits:

- The children receive the benefits from the income, the charity eventually benefits by receiving the principal.
- If the IRA is transferred to a charitable trust you can save on income tax because the trust is tax-exempt.
- If a child has difficulty managing money, they will receive the income only for twenty years and cannot spend the principal. A sad note: an inheritance is often spent within six months.

This is an exciting plan for those who want to benefit children and charity, reduce taxes, and preserve the estate. However, there are specific guidelines that must be followed. For specific advice you will want to consult with your legal and tax counsel.

## HOW DO I BEGIN?

Very little effort is needed to create or update your will. The first step is to contact the Planned Giving Department at 651-797-7927 or email [Orlando.Logelin@nhlc.org](mailto:Orlando.Logelin@nhlc.org).

This is a complimentary service to members and regular attendees of North Heights Lutheran Church. The information we offer is for general information purposes only. For legal advice, please consult your legal counsel. If you do not have an attorney, we can assist you in locating appropriate legal counsel.

## PLANNED GIVING SERVICES

If you would like to know more about a living will or the benefits of a will or trust to you, your family, and your church, contact your Planned Giving Services Department at 651-797-7927 or [Orlando.Logelin@nhlc.org](mailto:Orlando.Logelin@nhlc.org).

You can also look us up at [NHLC.org/Giving](http://NHLC.org/Giving) and click “Planned Giving Services.” This is a free service to members and regular attendees of North Heights.

If you wish to transfer stock, contact 651-797-7927 or [Orlando.Logelin@nhlc.org](mailto:Orlando.Logelin@nhlc.org).



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