



Life Estates: An Overview

Give a Home or Farm but Retain Lifetime Possession

A desire to make a gift to The Mother Church can be achieved through a gift of a home, vacation home or farm that also provides for you to continue to live in or use the property for your lifetime. This gift arrangement is called a retained life estate. If you own your home or agricultural property – or even a vacation home – you may be able to gift of the property, obtain an immediate income tax deduction and still continue to live in the house or use the property for the rest of your life.

The gift process involves deeding the property to The First Church of Christ, Scientist, but retaining the right to use it for your life – the life estate. You can continue to live in your home or receive income from the farm. Only upon your passing will the property fully transfer to the Church. By arranging this gift now, rather than in your will, you receive an immediate income tax deduction for the present value of our future right to receive the property.

Let's look at how this type of gift might fit into the plans of a couple we'll call Mark and Cathy. Mark is 77 and Cathy is 75. Both are retired, but pay substantial income tax each year. Mark and Cathy own the home that they live in, currently worth \$500,000, and they finished paying off the mortgage ten years ago. Mark and Cathy plan to live in their home for the rest of their lives. However, they also would like to make a significant gift to support the Church. They have decided to deed the home to the Church, retaining use of the home for their lifetimes. Mark and Cathy will continue to pay the taxes, keep up the insurance, and maintain the home. Based on their ages and other factors, Mark and Cathy will receive an income tax deduction this year of about \$318,000.

Similar gift opportunities also exist for other types of residences:

- Vacation property, such as a lakeside cottage
- Condominiums
- Cooperative apartments

The only requirement is that the donor currently use the property for at least a part-time residence.

How to Proceed

All real estate gifts require close consultation and coordination with our Planned Giving office. If you are interested in contributing a home or farm, while reserving lifetime occupancy for yourself or someone else, please e-mail, call or write us.



We are pleased to advise you:

1. The portion of your gift that would be tax deductible
2. Appraisal requirements, the process for transferring title, and necessary forms and receipts you will need
3. Your rights and responsibilities after the gift occurs
4. Possible options in the event that you no longer wish to use the property

You will need to share with us:

1. The current value of the land
2. The current value of any house or other structures on the property
3. Your date of birth, and the date of birth of any other person (such as a spouse) who will have continued use of the property
4. Information on any mortgage or loan against the property
5. Your adjusted basis in the property, if there is a mortgage or other loan outstanding

A simple telephone call or letter can get the process started. You can contact our office at philanthropy@csps.com, by phone at 1-800-288-7155, extension 3288, or write to us at the address below. We look forward to hearing from you.

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