



CHARITABLE WAYS TO GIVE

Vehicles that fulfill charitable and legacy desires.

Which works best for you?

DISCLAIMER

All information and discussions regarding the Iraqi Dinar or crypto currencies, events, taxes, and plans are for educational and entertainment purposes only, are general in nature, and not intended as investment, legal or tax advice. Each person's personal and financial situation is unique and different, and the information provided may not apply or work effectively for you. Effective and established financial/tax planning needs to be done by you with licensed professionals of your choosing. By signing up for, and attending or participating in our informational internet or in-person workshops, seminars and follow up meetings, you agree that Bob Adams, David Steffensen, Ron Duggar, and Tony Elder, personally, and MaxPlans For Life, Inc., and all affiliate companies, representatives, associates, or employees ("Information Providers") are hereby held harmless from all liability and loss associated with the information and discussion provided, and as to any action or strategy you may choose to implement with regard to the same.

Here's what we know:

1. The IQD windfall gains will be considered as ordinary income.
2. Exchanging your IQD outside of a planned vehicle will expose it to the highest tax rates.
3. Estate taxes are the most volatile at the moment, with anticipated changes in the caps coming as soon as next year.
4. The “stepped up basis” is still in place so heirs won't have additional income taxes assessed on them for receiving IQD after you pass.
5. Inclusion of ILIT, (irrevocable life insurance trust), in your estate was voted down, (for now).
6. Tax brackets have staid the same as previously, but the caps have changed.
7. Earning more than \$400,000 per year moves you into higher tax exposure.
8. The only way to get a TAX FREE return on our IQD investment is with a ROTH.
9. The best way to defer taxes and reduce estate taxes is using a Charitable Remainder Unitrust, (CRUT).
10. The finalization of the proposed tax changes is on hold for the rest of this year.
11. MaxPlans for Life Inc. has addressed these primary tax situations with:
 1. Gifting Assignments to reduce your estate exposure
 2. 3 types of ROTHs, (precious metal, one member LLC, and cryptoroth)
 3. Access to the CRUT creation now to reduce time latency when the increase is made available
 4. Member website and webinars to keep members updated on information and options.

CHARITABLE AND LEGACY OPTIONS

The MOST IMPORTANT decision regarding charitable giving needs to be done PRIOR to creating an entity or determining HOW MUCH, TO WHO, AND HOW OFTEN, you want to share your new found wealth.

The other STRONG CONSIDERATION is what benefits do you want to have from your charitable giving;

- Heartfelt sharing only
- Tax benefits only
- Potential lifetime income and sharing only
- Short term legacy
- Long term legacy

These are items you will need to discuss and determine with your loved ones PRIOR to the RV.

OF COURSE, the rate and date are still unknown, (except for Friday at 3:00 o'clock), and our desires and intentions may change as that event comes to fruition.

SO, tonight we are going to discuss some options that will address all the above considerations.

TERMS AND DEFINITIONS

DISCLAIMER: The information being presented this evening is considered introductory only. ALWAYS seek licensed counsel with establishing any entity to ensure compliance.

TERMS:

Charitable Giving: A charitable donation is a gift of cash or property made to a nonprofit organization to help it accomplish its goals, for which the donor receives nothing of value in return.

What Is a Charitable Contributions Deduction?

The charitable contributions deduction reduces taxable income by allowing individual taxpayers and businesses to deduct contributions of cash and property to qualified charitable organizations.

KEY TAKEAWAYS

- The charitable contributions deduction allows taxpayers to deduct contributions of cash and property to qualified charitable organizations.
- There are annual caps that limit the total amount of charitable contribution deductions.
- In 2020 and 2021 the annual cap has been raised to 100% for cash contributions. (Still in place for 2022 for the moment.)
- Taxpayers who do not itemize deductions can deduct up to \$300 of cash contributions in addition to claiming the standard deduction in 2020 and 2021.

TERMS AND DEFINITIONS

TERMS:

What Is an Irrevocable Trust?

The term irrevocable trust refers to a type of trust where its terms cannot be modified, amended, or terminated without the permission of the grantor's beneficiary or beneficiaries. The grantor, having effectively transferred all ownership of assets into the trust, legally removes all of their rights of ownership to the assets and the trust. Irrevocable trusts are generally set up to minimize estate taxes, access government benefits, and protect assets.

What Is a Revocable Trust?

A revocable trust is a trust whereby provisions can be altered or canceled dependent on the grantor or the originator of the trust. During the life of the trust, income earned is distributed to the grantor, and only after death does property transfer to the beneficiaries of the trust.

What Is a Private Foundation?

A private foundation can be a charitable organization that, while serving a good cause, might not qualify as a public charity by government standards. A private foundation can also be a nonprofit organization usually created via a single primary donation from an individual or a business whose funds and its trustees or directors manage programs.

TERMS AND DEFINITIONS

TERMS:

What Is a Donor-Advised Fund?

A donor-advised fund is a private fund administered by a third party and created for the purpose of managing charitable donations on behalf of an organization, family, or individual.

KEY TAKEAWAY

- Donor-advised funds are private funds for philanthropy.
- Donor-advised funds aggregate contributions from multiple donors and aim to democratize philanthropy by accepting contribution bases as low as \$5,000.
- They offer tax advantages of up to 60% of adjusted gross income and can hold funds indefinitely.
- Donor-advised funds also accept non-cash assets such as stocks, mutual funds, bonds, and complex assets such as private S- and C-corp stock.

What Is a Charitable Remainder Trust?

A charitable remainder trust is a tax-exempt irrevocable trust designed to reduce the taxable income of individuals by first dispersing income to the beneficiaries of the trust for a specified period of time and then donating the remainder of the trust to the designated charity. This is a “split-interest” giving vehicle that allows a trustor to make contributions, be eligible for a partial tax deduction, and donate remaining assets.

TERMS AND DEFINITIONS

TERMS:

What Is a Charitable Remainder UniTrust?

A charitable remainder unitrust pays a fixed percentage of the trust's value, as determined on an annual basis. Similar to CRATs, the minimum annuity payout is 5%. Donors who establish a CRUT *can make additional contributions to it after the initial contribution*. This type of grantor trust can provide income to a named beneficiary, including themselves or a family member. Once the donor passes away, any assets remaining in the trust go to charity.

Let's get started by looking at the simplest option:



THE MAJORITY OF IQD HOLDERS HAVE CHARITABLE AND LEGACY DESIRES AS A PRIMARY INTEREST IN THEIR IQD INVESTING



Direct charitable contributions to a 501c3 organization.

1. There are currently 1.54 MILLION recognized charities in the United States.
2. You are allowed to share your wealth with them and receive a tax deduction on schedule A by:
 1. Determining the type of entity being contributed to:
 - In 2020 and 2021 up to 100% of cash contributions made to specific types of charities were allowed:
 - Religious, charitable, scientific, literary, or educational purposes
 - The prevention of cruelty to animals or children
 - The development of amateur sports
 - 2. Other charities would qualify for up to a 60% inclusion on Schedule A.
 - 3. Some charities that are directly associated with your participation would be limited to 30%
3. The allowed caps for 2022 have not been addressed at this time, but could still be applicable at 100%.

PROS AND CONS OF DIRECT CONTRIBUTIONS

PROS:

1. Most IQD investors learned about it from their church, therefore they feel a desire to share the gains with that organization.
2. Calculating the taxable offset for the contribution can be done at the end of the year, making the calculation easy.
3. Can potentially get a 100% write off on schedule A for 2022.
4. If you contribute more than your taxable income, the balance of the contribution would be carried forward for up to 5 years.
5. MOST IQD investors are wanting to give their chosen charities IQD directly, avoiding the need to exchange it first and incur a taxable event.

CONS:

1. Many mainstream charities will NOT accept foreign currencies directly and require USD only.
2. If your chosen charity will accept your IQD directly, you will need to make sure they qualify, (at least potentially this year), for a 100% write off:
3. Other than a potential reduction in taxes, you have no immediate say in how the contributions will be used by the charity.
4. There is a limited option for perpetual legacy.
5. There are some charities available online to do accept foreign currencies. **CHECK THEM OUT CAREFULLY BEFORE RELEASING YOUR NOTES!**

What about a Private Foundation?

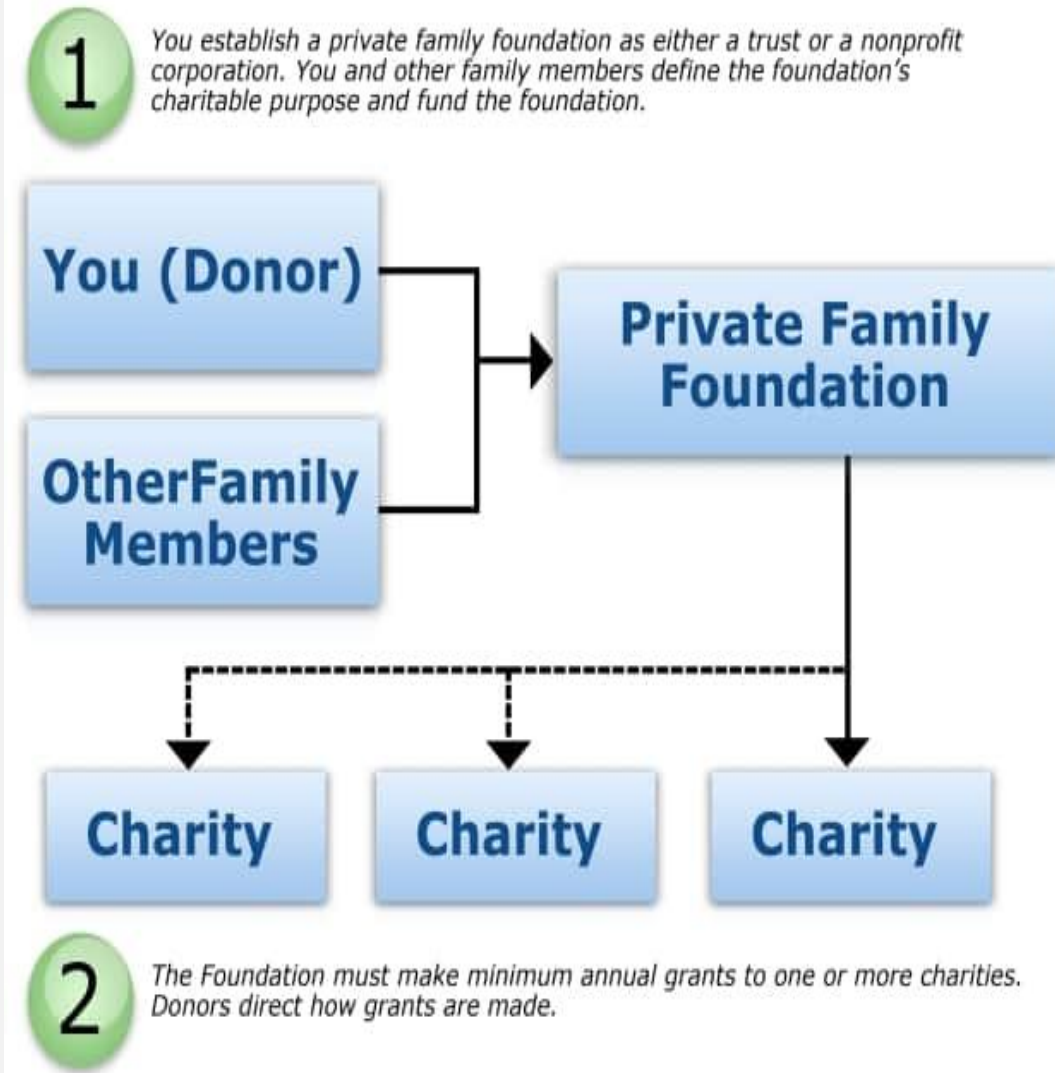
A private foundation is **an independent legal entity set up for solely charitable purposes**. ... While a public charity gets its funding from the general public, a private foundation usually has one source of funding, typically an individual, family, or corporation.

You can start a private foundation with your IQD, however the contribution by you would be limited on schedule A to the purchase price only, not the new exchange value.

Private foundations are considered a 501 c 3 and allowed to function in many areas of charitable grants or direct activities.

Private foundations can be perpetual, allowing family members to administer for generations to come.

BUT, there are some constraints that need to be considered:



PROS AND CONS OF PRIVATE FOUNDATION

PROS:

- 1. More Effective Philanthropy:** You can select specific tasks or objectives to be accomplished
- 2. Expanded Giving Opportunities:** provide more options in terms of how — and to whom — you may give your charitable contributions.
- 3. Greater Financial Control:** the founding individual, family, or corporation maintains financial control because this small group of donors provides the nonprofit's funding.
- 4. Tax Incentives:**
 - 1. Income Tax Deductions:** Private foundation donors can claim tax deductions
 - 2. Tax-Free Asset Growth:** All investment returns — whether from interest, dividends, capital gains, or other forms of investment returns — remain tax-free if earned within a foundation
 - 3. No Gift or Estate Taxes:** Generally, assets transferred to family foundations are not subject to gift or estate taxes.
 - 4. Double Capital Gains Benefits:** Because foundations invest all donor contributions, those donors may claim a charitable deduction for the full market value of appreciated stocks held in publicly traded companies.
- 5. Consistency in Giving:** Many people start private foundations because they want a consistent way to support their favorite charities.

PROS AND CONS OF PRIVATE FOUNDATION

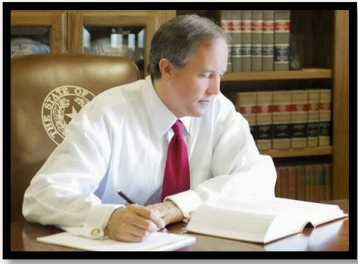
PROS:

- 6. Reasonable Compensation for Your Services:** While members of a public charity's board of directors can't receive compensation for their work, a foundation's board members or trustees can receive reasonable compensation for services rendered to the foundation under normal circumstances.
- 7. Reimbursement of Travel and Other Expenses:** A foundation's board of directors, trustees, and founding family members may receive reimbursement for reasonable and direct costs of services rendered to the foundation.
- 8. Stronger Public and Community Relationships:** Foundations can create strong, well-recognized relationships throughout the community and with the general public.
- 9. Enhanced Privacy:** Foundations make it easy for people who regularly receive requests for charitable donations and fundraising appeals to refer all such inquiries to their foundation.
- 10. Legacy Opportunities:** Family foundations, in particular, help donors engage generations of family members in a specific cause or charitable effort, deepening their social consciousness and creating a true family legacy.
- 11. Greater Freedom to Take Action:** Private foundations do more than simply enable founders to leave legacies and gain tax benefits. They also allow founders to create organizations that address specific needs in specific ways they deem appropriate. That means you can take risks and pursue actions that others — even the government — can't or won't do.

PROS AND CONS OF PRIVATE FOUNDATION

CONS:

- 1. Substantial Time Commitment and Costs:** Starting a foundation involves a substantial amount of time and money because of the work required to incorporate or establish the organization in another acceptable way. Setting up a foundation typically also requires engaging outside professionals — such as attorneys, accountants, and others — who can provide expert advice on how to form and run your foundation.
- 2. Annual Excise Tax Payments:** Private foundations must pay a 1% to 2% annual excise tax on their net income. The exact percentage depends on a foundation's annual grantmaking.
- 3. Greater Regulatory Requirements:** Private foundations must distribute at least 5% of their investment income each year through charitable grants. Foundations also face greater scrutiny by state and federal governing bodies than public charities because only a few trustees manage them under much less public scrutiny.
- 4. Mandatory Annual Reporting:** While different states may have different annual reporting requirements, the Internal Revenue Service mandates annual reporting by all private foundations. This process typically takes four to eight hours to complete and often requires an accountant or attorney to finalize and submit the necessary paperwork.
- 5. Lower Deductibility Caps:** Individuals may make cash contributions worth up to 30% of their AGI and appreciated property donations valued at up to 20% of their AGI to private foundations. That's significantly lower than the limits set for public charities to which individuals may contribute cash donations worth up to 50% of their AGI and appreciated property valued at up to 30% of their AGI.



WOULD A PRIVATE FOUNDATION (PF) WORK FOR YOU?



SO, a PF sounds like a really great idea. . . . HOWEVER:

1. It takes **TIME** and **MONEY** to establish a PF
 1. Typically you have 2.5 years to qualify your foundation as a 501 c 3 with the IRS.
 2. The required registration with the state and federal governments should be done by an attorney.
 3. The bylaws will be very specific and should be done by an attorney.
 4. The accounting will need to be absolute and done by a CPA, or a licensed bookkeeping service familiar with foundations.
 5. The cost for setting up your foundation could be over \$25,000.
 6. Your contribution will be reduced on your personal taxes to the amount of purchase of the IQD, not the current value.
2. **No Passive Activity Income:** If you elect to have a PF and want to receive income from it, you will have to participate in an official position and be paid what would be normal salaries commensurate with other administrators. There is no passive income possibility as the founder.
3. **Beware of Self-Dealing within Private Foundations:** A disqualified person is commonly a substantial contributor (and their family members), a foundation manager, certain government officials, and potentially related trusts, estates, and corporations. Understanding who may be classified as a disqualified person is the first step in keeping a foundation from running afoul of the self-dealing rules.

WOULD A PRIVATE FOUNDATION (PF) WORK FOR YOU?



Once a disqualified person can be accurately identified we then have to turn our attention to the types of transactions with those disqualified persons that the IRS deems to be self-dealing. Fortunately, the IRS publishes the following list of transactions to be generally considered an act of self-dealing between a disqualified person and a foundation:

1. Sale, exchange, or leasing of property
2. Leases
3. Lending money or other extensions of credit
4. Providing goods, services, or facilities
5. Paying compensation or reimbursing expenses to a disqualified person
6. Transferring foundation income or assets to, or for the use or benefit of a disqualified person
7. Certain agreements to make payments of money or property to government officials

A disqualified person involved in a transaction deemed to be an act of self-dealing must reverse the transaction and pay a 10% penalty tax on the value of that transaction. The foundation manager, not the foundation itself, can also be assessed a penalty tax of 5% on the transaction value subject to certain limitations.

Some disqualified transactions carry penalties as high as 500%!

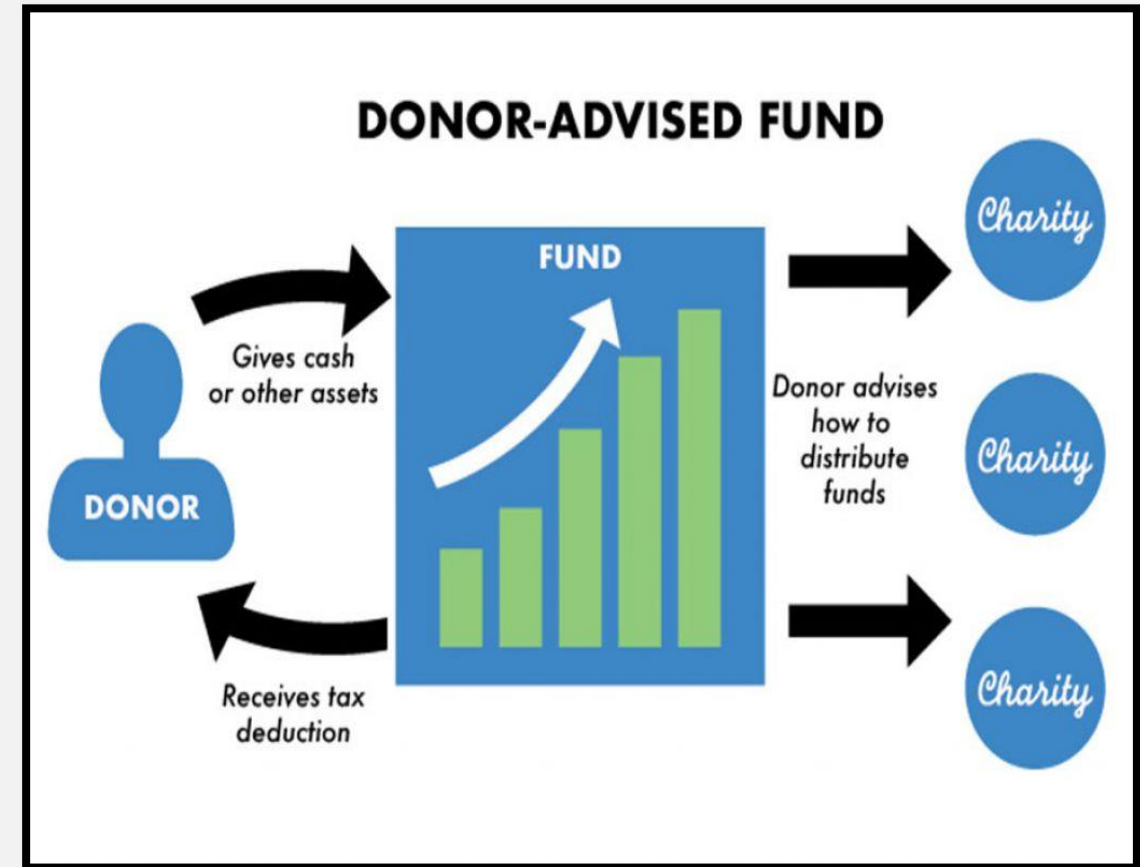
Doing it right is a constant exercise in integrity.

WHAT ABOUT A DONOR ADVISED FUNDS, (DAF)?

A donor-advised fund is a private fund administered by a third party and created for the purpose of managing charitable donations on behalf of an organization, family, or individual.

Like any financial instrument, there are some drawbacks to donor-advised funds. Because you receive the tax benefit immediately, **your contribution is irrevocable, which means your assets cannot be returned to you no matter the reason.** Furthermore, although you can make suggestions as to which charities you would like to receive your distributed assets, the broker has the final say.

You also can not receive any compensation for the administration/owner of it.



PROS AND CONS OF A DONOR ADVISED FUND.

PROS:

- There is no cost to open a DAF with minimal annual fees
- DAFs can be opened within days
- Clients can receive significantly higher tax deduction for donating certain assets to a DAF (i.e. Cash donation deductible up to 60% of AGI for DAFs vs. 30% for PFs,
- Donors are generally entitled to a tax deduction of the full fair market value of a donation to a DAF for many complex assets
- There are no required annual tax filings for DAFs
- There is no tax on investment income in DAFs, while PFs are subject to an excise tax of 1.39%
- DAF donors' anonymity is assured if desired
- DAF sponsors handle all grant administration
- Donors want the simplicity that DAF sponsors provide as they are easy and efficient to use.
- Many DAFs offer online granting and viewing of past grants and donations
- DAF sponsors are responsible for complying with the laws, thus relieving donors of this burden.
- There are no minimum annual distributions for DAFs

PROS AND CONS OF A DONOR ADVISED FUND.

CONS:

- Criticisms of donor-advised funds have mostly centered on the fact that they can become placeholders for money and assets and that they are set up to help wealthy individuals earn tax advantages. They have been called "financial fracking" and "warehouses of wealth".
- A vast majority of assets at prominent donor-advised funds are intangible and illiquid complex assets, such as real estate, bitcoin, and art. They are valued on cost basis, meaning the price at which they were purchased. **(THIS IS A PROBLEM FOR DIRECT USAGE FOR THE IQD. YOU MAY HAVE TO EXCHANGE THE IQD FIRST, THEN PUT IT IN A DAF. THIS WILL CREATE A TAXABLE EVENT!)**
- By holding these assets in donor-advised funds where there are no restrictions on the holding period for sale, the donors can ensure that the asset, when it is sold by the foundation running the donor-advised fund, is not subject to tax.
- The ecosystem is also beneficial to large financial services corporations because they can charge fees for donor-advised funds. You have no control over the fees assessed by the financial services.
- Your desired grants must be cleared by the financial service and not left to your personal discretion.

WOULD A DONOR ADVISED FUND WORK FOR YOU?

This is a simple, but not easy concept.

1. If the only tax advantage would be the COST of the IQD, then there isn't any tax benefit for you.
2. If the IQD must be exchanged first then the funds given to the DAF, then the value would up to 60% tax reduction the first year, and the balance being applied to the next year.
3. Once the DAF is established you can contribute to it as desired. Each contribution would be considered a charitable contribution, therefore allowed a tax reduction.
4. Does not require the filing of a tax return or administration fees BY YOU.
5. Can be completed within a few days.
6. Can be private in the granting of charitable contributions.

WHAT ABOUT A CHARITABLE REMAINDER UNITRUST?

How do Charitable Remainder Trusts Work?

The grantor initially funds the CRT with highly appreciated assets. When the CRT sells the highly appreciated assets, the CRT itself is not subject to capital gains tax, thus preserving the full value of the appreciated assets to reinvest in a diversified portfolio. The capital gains taxes will be spread out and payable as the Lead Beneficiaries receive payments from the CRT. In addition, the grantor receives an immediate income tax deduction.

Is income tax imposed on the distributions and who pays it?

CRTs are exempt from income tax. The CRT assumes the grantor's adjusted cost basis and holding period in the property. If the CRT sells appreciated property, neither the grantor nor the CRT will pay immediate income tax on the sales.

However, when the Lead Beneficiaries receive payments (at least annually), those payments are subject to income tax. The following rules show how these payments are taxed, and the chart below is an illustration of these rules in effect:

First, the payment is taxed as ordinary income to the extent of the CRT's ordinary income for that year and undistributed ordinary income from prior years.

Second, the distribution is treated as capital gains to the extent of the CRT's capital gains for that year and undistributed capital gains from prior years.

Third, the distribution is treated as other income to the extent of the CRT's other income for that year and undistributed other income from prior years.

Distribution amounts in excess of the above items of income are treated as non-taxable return of principal.

How long can the CRT last?

A CRT may last for the Lead Beneficiaries' joint lives or for a term of years (the term may not exceed 20 years). In addition, the actuarial value of the CRT remainder left to charity must be least 10% of the initial CRT value, determined at time of funding. This "10% test" creates a floor as to how young the Lead Beneficiaries can be. If the Lead Beneficiaries are too young, the CRT will fail the 10% test. For a lifetime CRUT, the Lead Beneficiaries must be at least in their 40s and for a lifetime CRAT, the Lead Beneficiaries need to be at least in their mid-70s. The "10% test" depends on three factors:

- The term of the CRT or for lifetime CRT's, the Lead Beneficiaries' life expectancies,
- The payment amount each year, and
- The IRC 7520 rate (defined as 120% of the federal midterm interest rate).



How often are distributions made to Charitable Remainder Trusts?

Distributions are typically made annually or quarterly but can be weekly, monthly or semi-annually as well.

How are the distribution amounts determined?

The IRS rules require the amount be at least 5% but no more than 50% of the trust assets. The maximum distribution amount depends on the length of the CRT term or for lifetime CRTs, the Lead Beneficiaries' life expectancies. The distribution schedule and amounts also depend on the type of CRT being used. The following tables illustrate this (all illustrations assume 3% growth and 2% income, so overall rate of return of 5%):

- *A Charitable Remainder Annuity Trust (CRAT)* pays out the same dollar amount each year, so the Lead Beneficiaries will receive the same amount no matter if the trust value increases or decreases.
- *A Charitable Remainder Unitrust (CRUT)* pays out a fixed percentage of the trust value each year. The amount will be recalculated each year and the Lead Beneficiaries receive larger payments that year if the CRUT's rate of return exceeds the fixed percentage payout, and smaller payments that year if the CRUT's rate of return is less than the fixed percentage payout.

Do I get a charitable deduction?

Yes, the grantor receives an immediate income tax deduction equal to the present value of the projected remainder interest that passes to the charity, provided that the contributed asset is a long term capital gain property. If the contributed property is ordinary income property, then the charitable deduction is limited to your adjusted basis.

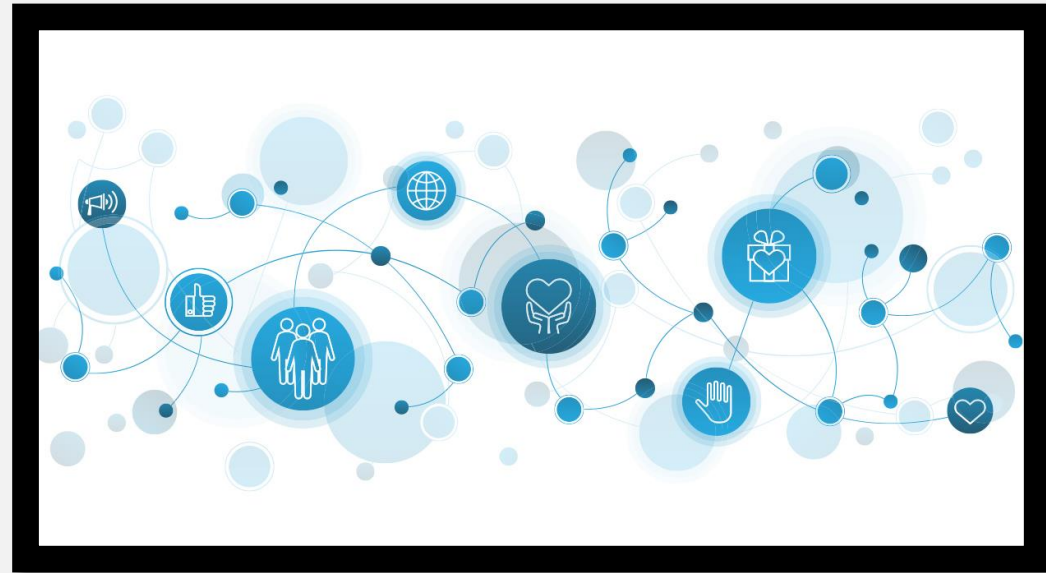
The available charitable income tax deduction is limited to 60% of adjusted gross income (AGI) for the year if cash is gifted to the CRT with a public charity or donor advised fund as the charitable remainder beneficiary. However, the deduction may be limited to 30% or 20% of AGI for the year, depending on the type of property you give to the CRT (short term v. long term capital gain property) or the type of charitable organization named as remainder beneficiary (church/school/public charities/donor advised funds v. family private foundations). The good news is that you may carry over any unused charitable deduction amount from any year in which the remaining deduction surpasses these limits, up to 5 years.

Who can be the trustees?

Often, grantors will name themselves or their spouses as trustee. The grantor's other family members may also act as trustees. An independent trustee may be needed if CRT holds unmarketable or hard to value assets such as closely held stock or artwork, or if the grantor thinks he may want to change the charitable beneficiary later.

Are there restrictions on what charity can be named as remainder beneficiary? Can I change the charitable beneficiary during my life?

Yes, the charitable remainder beneficiary must be an organization described in Internal Revenue Code Section 170(c), such as a public charity, donor advised fund, religious organization or a private foundation.



PROS AND CONS OF THE CHARITABLE REMAINDER UNITRUST, (CRUT)?

PROS:

1. Can put your IQD directly in the CRUT without a taxable event.
2. Can create a lifetime income deferring the taxes on your exchangeable IQD.
3. Can support the remaining member, (spouse), for the balance of their life after your passing.
4. Creates a legacy by the remaining funds going to your selected charities.
5. COULD be directed to a private foundation upon your passing. . . This COULD be a way for your heirs to continue your legacy and have them participate.
6. COULD include a death benefit for your heirs so the original amount would be covered and distributed TAX FREE.
7. COULD include long term insurance coverage.
8. Can add more contributions later
9. Can disburse payments to charities as desired

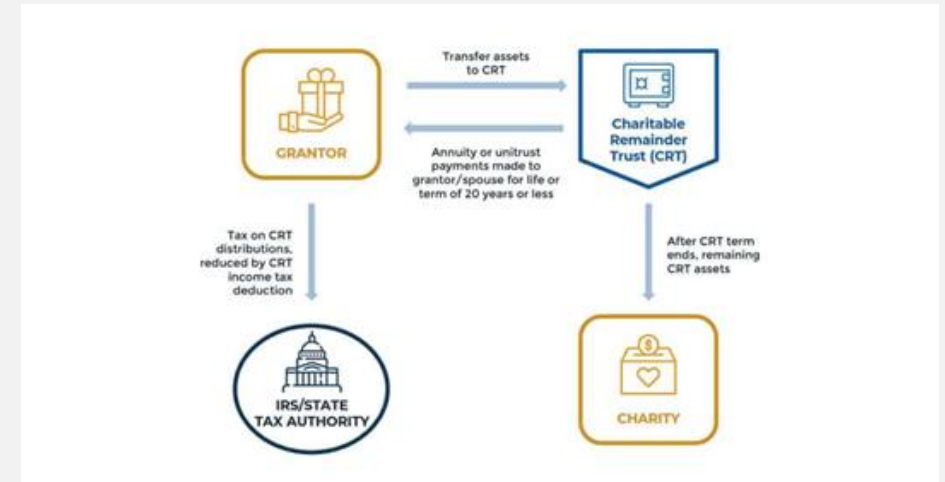
CONS:

1. Does require setting up a series of documents, EIN, and bank account.
2. Exchanging the IQD COULD be a problem if the bank selected won't do the transaction. (This is where using a vaulting service for your IQD may be of benefit.)
3. Annual tax preparation and accounting expenses.
4. CANNOT be passed on to heirs.
5. Only pays 5% of the annual gross value of the crut per year.
6. Would potentially take 20 years to fully recover your investment/contribution.
7. Not a viable option for elderly

WOULD A CHARITABLE REMAINDER UNITRUST WORK FOR YOU?

In most cases, the CRUT is the optimal choice:

1. Relatively easy to set up.
2. Low cost compared to other options.
3. Pays out monthly, quarterly, semi-annual, or annually as you desire.
4. Creates a legacy
5. Satisfies charitable giving desires
6. COULD go to a private foundation for furthering the legacy.
7. COULD include death and long term care options.



SO, LET'S COMPARE . . .

Benefits	Direct Contributions	Private Foundation	Donor Advised Funds	Charitable Remainder Unitrust
Ease of establishing	YES	NO	YES	YES
Immediate tax benefit	YES	NO	YES	YES
Have control of funds	NO	YES	YES	YES
Require Tax Filing	NO	YES	NO	YES
Can pay the Grantor	NO	YES, but only as employee with payroll taxes	NO	YES, passive income not subject to payroll
Can grant funds directly	NO	YES	YES	YES
Requires annual minimum distribution	NO	YES	NO	NO

WHY DOES MAXPLANS PROMOTE THE CRUT?

After meeting with several professionals/attorneys in the charitable giving realm, it was decided the CRUT offers the best for MOST IQD investors:

1. It offers immediate tax deduction
2. It offers a TAX FREE environment for exchanging our IQD
3. It provides a potential life time of income.
4. It can include death and long term health insurance coverage
5. It's relatively easy to set up and maintain
6. Can include an annuity to make future investing of the CRUT funds easier.

If you have any questions regarding these options, please feel free to make an appointment.

SPECIAL NOTE:

Effective this month, MaxPlans for Members webinars will be on the second Thursday of each month only.

If there is a special notation or information that would be urgent, I will contact you by email or have an extra webinar.

Ron Duggar and I will be hosting webinars on startyourcrypto.com 3 times a month.

Our goal is to get all IHUB participants actively trading and moving from “PRO to GOLD” in their IHUB business.