

Everybody wins with charitable trust

Continued from Page 1

that her son be the trustee.

We recommend that Janet establish the trust and donate her inheritance to the trust. The trust can then sell the highly appreciated stock and there is no capital gains tax due because the stock is a nontaxable entity. The \$200,000 can be invested in a more diversified and less volatile mix of assets.

Janet opted for the higher payout percentage of 9 percent per year. Thus, the full \$200,000 will generate 9 percent income (\$18,000) per year for the rest of Janet's life. If Janet had sold her stock herself, she would have had to pay capital gains tax of about 20 percent on the appreciated \$15,000 at about 12½ percent to generate that same \$18,000 income.

Janet receives an immediate charitable deduction of approximately \$56,000. The amount of the deduction is determined by using an IRS table that changes monthly and is based on the age of the donor and the payout to five additional years.

In our calculations, Janet will use the \$56,000 deduction over a four-year period at a rate of approximately 30 percent of adjusted gross income in any one year. And unused deduction is carried forward for up to five additional years.

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By putting this stock into the trust, Janet effectively removed the \$200,000 from her estate. Under current estate tax rates, this will save more than \$75,000 in estate taxes. Thus, a good portion of the charitable donation is indirectly "paid for" by Uncle Sam. In allowing this strategy to reduce taxes, the government encourages individuals and companies to make gifts to charitable organizations.

Janet might want the full value of her current estate to pass on to her family. There is another strategy she should consider to meet this objective, assuming she is in reasonably good health.

She could establish an irrevocable trust with her son or grandchildren as beneficiaries. The trust would own and pay premiums on a life insurance policy on Janet's life. The death benefit would replace the net value of the stock placed in the trust. If properly set up, the life insurance proceeds would not be included in her taxable estate and thus would not increase her estate tax problem.

The PREMIUM of this insurance policy could be paid for by using a portion of the increase in income being paid to her by the charitable remainder trust. Remember that her current dividend yield on the inherited stock is 2.9 percent or \$5,000 per year.

With her annual income increasing to \$18,000 from the trust, she can give money to the irrevocable trust to pay the premiums and still have money left over each year.

With these two strategies, these situations are clearly win-win situations. She benefits by increasing her income, receiving a charitable deduction for several years, avoiding capital gains taxes and reducing her estate taxes.

This allows Janet to plan for and be recognized for her charitable activities during her lifetime, and yet she maintains or enhances her long-term financial security. The charity obviously benefits by receiving all assets remaining in the trust at death. Such strategies should be pursued only after receiving competent professional counsel.

In the right situations, they can be a powerful and satisfying means of accomplishing charitable and tax-planning objectives.

Dan Boyce, a certified financial planner at the Center for Financial Planning in Southfield, has been recognized by Money magazine as one of the top financial planners in America. Alan Ferraro is a partner in the Farmington Hills law firm of Coughenour, Lansky, Feink, Ellis, Roeder & Lazar. Both serve on the board of directors for the Southeast Michigan Chapter of the International Association of Financial Planners.

business people

Michael Beaton a Rochester Realtor, has joined the Certified Commercial-Investment Member of the Commercial-Investment Real Estate Institute. He is president of Snyder, Kinney & Beaton Realtors, Rochester.

Raymond Carson and Roberto Coto joined the accounting staff of Grant & Millman CPAs of Farmington Hills.

Joe Archer of Birmingham was appointed director of sales development at AMCI, Automotive Marketing Consultants Inc., Detroit.

Daniel Wiley of Birmingham was appointed vice president at Ford & Earl Associates Inc.

Douglas Mann, Sandra Slipper and Mark Kowalsky have become partners in the Birmingham law firm of Simpson Moran.

Sally A. Olson joined Robert C. Julian & Associates CPAs in Southfield.

Kim Carman of Farmington Hills joined the WJBK-TV 2 Eyewitness News Team as weekend weathercaster.

Ellen Gabagno of Birmingham was promoted to marketing manager for the Palace of Auburn Hills and the New Pine Knob.

Dodge C. David was promoted to vice president and senior consultant at the office of Jannotta, Bray & Associates in Southfield.

Marc C. Campbell of Birmingham was named vice president of real estate for P&M Distributors Inc.

Stacey Cerrone of Southfield joined the staff of Troy-based ad agency Michael Flora & Associates as an art director.

Sherly LaChance Baker was named director of provider services at OmniCare Health Plan Inc.

Huntington Banks of Michigan has appointed the following: Charles G. Dharre Jr. was appointed president and CEO. Raymond J. Blige was appointed chairman of the board;

Charles S. Kassab was appointed vice chairman; Carolee Orcutt was appointed senior vice president of branch administration; Colleen Callahan to senior vice president Oakland commercial loan division; West Bloomfield Office; Robert Savage to senior vice president Oakland Loan Region; Dan Flan to vice president; Vice Furchi to assistant vice president, assistant auditor and compliance officer; and Paul Nemeth to senior vice president Oakland Commercial Lending Division.

Daniel Wiley of Birmingham was appointed vice president at Ford & Earl Associates Inc.

Mark Shobe of Bloomfield Hills was promoted to first vice president for Manufacturers National Bank of Detroit.

Mark Jahnke of Franklin rejoined Plante & Moran in Southfield as an associate in the audit department.

Michael B. Loftus of Birmingham was appointed general manager of the Hilton Suites-Auburn Hills.

James R. Murray of Troy was promoted to handle the day-to-day responsibilities as chairman of the board of Wickman Productions Inc.

Comerica Bank-Detroit appointed Curt M. Brown of Southfield officer, metropolitan corporate banking.

BBDO-Detroit in Southfield promoted David L. Harrelson of Bloomfield Hills to senior vice president.

Stanislaus M. Shibuski of Birmingham was promoted to executive vice president, executive creative director at BBDO-Detroit in Southfield.

John T. Alexander has become associated with Thurnswell, Chayet & Weiner, Southfield.

Thomas E. Paquette was appointed vice president of manufacturing by Comerica Bank Corp. The company operates Michigan plants in Rochester Hills and Auburn Hills.

John T. Kerr of Bloomfield Hills joined Community Health Associates Inc.

Lutz Associates Inc. has regrouped to form Lutz Data Systems.

Chuck Randolph Travel & Tours, 3588 W. Maple in Birmingham, hired PRMI for public relations, direct marketing and advertising.

TUV Rheinland of North America

- Northern Central Branch in Livonia named Dennis R. Green & Associates

as an art director.

John A. Walgren of Birmingham was named a principal shareholder in the Southfield-based public accounting firm of Burnstein, Morris & Brown.

Robert I. Voigt has joined Kilsby-Roberts as an outside sales representative for the company's Detroit area service center.

Gary Trzaskos of West Bloomfield was senior vice president Oakland commercial loan division; West Bloomfield Office; Robert Savage to senior vice president Oakland Loan Region; Dan Flan to vice president; Vice Furchi to assistant vice president, assistant auditor and compliance officer; and Paul Nemeth to senior vice president Oakland Commercial Lending Division.

Randall D. Tarnow of Farmington Hills received Terrie Tosto Co.'s 1990 "Breakfast of Champions" award for the commercial/office sales leasing division.

John J. Godwin of Farmington Hills received Terrie Tosto Co.'s 1990 "Sales with Distinction" award for the commercial sales and leasing division.

David L. Solomon was named account supervisor at Associates Creative Inc., Southfield.

Tim Jones of Bloomfield Hills has joined McCann/SAS in Troy as an assistant account executive, assigned the agency's GMC Truck Market Support account.

Linda G. Pride joined McCann/SAS, Troy, as the agency's information systems manager.

Sandra Samul was promoted to account executive at Casey Communications Management Inc., Southfield.

Philippe Defebeaux of Birmingham was appointed to executive vice president, director automotive group at DDB Needham Worldwide in Troy.

Harold Brattton of Birmingham was appointed project manager/estimator/estimator for the Eurostar Miniwear Team at its Highland Park Engineering Facility.

Thomas J. Constand of Southfield was promoted to national sales manager at the Westin Hotel, Renaissance Center Detroit.

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Ronald K. Cupp of Rochester Hills was named vice president and senior consultant at the metro-Detroit office of Jannotta, Bray & Associates.

Jon A. Walgren of Birmingham

was appointed a principal shareholder in the Southfield-based public accounting firm of Burnstein, Morris & Brown.

Carolyn Bough was promoted to

work director for the WW Group Inc. in Farmington Hills.

Michael E. Lowes of Birmingham

was appointed to vice president creative director for the Detroit office of DDB Needham Worldwide.

David S. Ashe of Birmingham was promoted to regional vice president by Keystone Distributors Inc.

William J. Hackett was appointed to vice president and director of strategic planning and research at BBDO Detroit.

Nick Feles of Southfield was ap-

pointed director of corporate rela-

tions at Lear Seating Corp. Al Goscinski of Farmington was appointed

engineering manager on the product engineering team assigned to Lear's GM product programs.

Ronald K. Cupp of Rochester Hills

was named vice president and senior

consultant at the metro-Detroit office of Jannotta, Bray & Associates.

Jon A. Walgren of Birmingham

was named a principal shareholder in the Southfield-based public accounting firm of Burnstein, Morris & Brown.

Ken Korotkin and Glenn Warsch of

Korotkin, Schlesinger and Associates Inc. were presented the Commercial

Lines Agency Excellence Award for

the Midwest Region by CNA Insurance Co.

Bill Cordell was appointed president of the National Yellow Pages Sales subsidiary of Ameritech Publishing Inc. in Troy.

David Gregerson of Birmingham, David Hild of Farmington Hills and James Moskow of Beverly Hills were appointed vice presidents by the Ross Roy Group.

Gordon McNichols and Thomas C. Morgan Jr. joined the Troy office of Prescott, Ball & Turben as account executives.

Steven D. Davis of Birmingham was appointed president and chief executive officer for Republic Hogg Robinson of Michigan Inc.

Magnolia A. Kelchab of Birmingham was elected a first vice president of First Federal of Michigan and named manager of its Mortgage Servicing Department.

Frederick Hudler of Bloomfield Hills joined D'Arcy Masius Benton & Bowles/Bloomfield Hills as a copywriter.

Robert Torz of Rochester Hills was promoted to traffic manager at D'Arcy Masius Benton & Bowles/Bloomfield Hills.

Sally Wells of Rochester Hills was promoted to training manager in the human resources department at D'Arcy Masius Benton & Bowles/Bloomfield Hills.

Betty Wilson of Birmingham received a 25-year service award from Enesco Corp.

Michael A. Collins of Birmingham was appointed to officer, Metropolitan Corporate Banking by Comerica Bank-Detroit.

Von J. Blanger of West Bloomfield was appointed vice president, specialized industries by Comerica Bank-Detroit.

Ken Korotkin and Glenn Warsch of

Korotkin, Schlesinger and Associates Inc. were presented the Commercial

Lines Agency Excellence Award for

the Midwest Region by CNA Insurance Co.

marketplace

Palmer Moving & Storage Co. of Troy was named a North American "Commitment to Excellence" agent for outstanding overall performance in 1990.

Hirsch & Co. Inc. in Birmingham moved to 30800 Telegraph, Suite 2835, Birmingham 48101. The telephone number remains 259-2590.

Stone, August, Baker Communications Cos. won the second annual Creative Outdoor Poster Contest sponsored by Gannett Outdoor Co. of Michigan.

JOHN T. KERR of Bloomfield Hills joined Community Health Associates Inc.

Lutz Associates Inc. as its advertising/public relations agency.

Stone, August, Baker Communications Cos. won the second annual Creative Outdoor Poster Contest sponsored by Gannett Outdoor Co. of Michigan.

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