



## A Life Estate Agreement

A life estate agreement is an irrevocable charitable gift of a personal residence or farm in which the donor typically retains full use of the property for life (or for a spouse’s life as well)—an opportunity to make a generous donation without any immediate impact on finances or lifestyle.

**Concept applied:**

A donor can use a life estate agreement to make a gift of real property to charity after death but qualify for a current (often sizable) charitable income tax deduction.

**How it works:**

Josie Mitchell wants to make a significant charitable gift to honor her parents. She could really benefit from a current income tax deduction, but she hesitates to donate assets she might need during retirement. She decides to donate a remainder interest in her home, retaining a life estate that lets her continue living there for the rest of her life. Her tax deduction is based on the present value of the charity’s remainder interest.



**Why is it useful?**

A life estate arrangement is a unique way to give a large asset (and qualify for an immediate income tax deduction) but retain full use of that asset. The life estate can be measured by a term of years or by the lives of one or more individuals (typically, the current residents of the property—the donor and perhaps the donor’s spouse).



### **CHM: NOW AND INTO THE FUTURE**

From the telescope to the printing press to the steam engine, technological revolutions have always transformed the human condition. But never has there been a technological revolution set to change our world in pace, scope, and scale as the one in which we are currently immersed. Nonexistent only a lifetime ago, the forces of change brought on by the computing revolution are permanent, universal, and accelerating at an exponential rate. Great opportunities and great challenges have arisen on a scale never seen before.

This complex present and even more uncertain future requires a new citizenship—one that is equipped with knowledge, inspired by vision, and empowered to take action; one that values problem-solving, critical thinking, and collaboration; one that sets innovation and leadership in pursuit of equitable growth; and one committed to creating a sustainable future and improving the quality of life for this generation and the next.

CHM is in a unique position to empower people as catalysts for change inside our current technological revolution. CHM is using its extensive network and historical expertise amassed over four decades to promote a new citizenship for the digital age, bringing together companies and nonprofits, government leaders and policymakers, scholars and educators—because it will take all of us working together to build the future we envision.

### **FOR ADDITIONAL INFORMATION, PLEASE CONTACT**

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