

ADVISOR TRAINING MINISTRY
COURSE NUMBER: PTS 500

**The Four Key Estate Planning Techniques
In Stewardship Planning**



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**“Simplicity is always to be preferred
over complexity, unless it costs too much.”**



I. Compression Techniques

(Making Things Smaller)



I. Compression Techniques (Making Things Smaller)

- a. Reduce asset values
- b. The reasons for using compression tools
 - i. Reduce tax cost on asset transfer
 - ii. Reduce the time period required to pass assets on to heirs tax free



I. Compression Techniques (Making Things Smaller)

c. Compression Tools

- i. Family Limited Partnership
- ii. Limited Liability Company
- iii. Grantor Retained Annuity Trust
- iv. Qualified Personal Residence Trust
- v. Charitable Lead Trust



II. Freezing Techniques

(Keeping Things the Same)



II. Freezing Techniques (Keeping Things the Same)

- a. Deflect future growth of assets
- b. The reasons for using freezing tools
 - i. Stop additional taxation on asset growth upon transfer
 - ii. Stop value of what was intended to be gifted



II. Freezing Techniques (Keeping Things the Same)

c. Freezing Tools

- i. Grantor Retained Annuity Trust
- ii. Intentionally Defective Grantor Trust
- iii. Charitable Lead Trust
- iv. Promissory Note/Private Annuity on sale of appreciating asset



III. Leveraging Techniques

(Making Things Bigger)



III. Leveraging Techniques (Making Things Bigger)

- a. Create additional net worth
- b. The reason for using leveraging tools
 - i. Discount estate taxes
 - ii. Wealth replacement



III. Leveraging Techniques (Making Things Bigger)

c. Leverage Tools

i. Life Insurance



IV. Charitable Techniques

(Giving Things Away)



IV. Charitable Techniques (Giving Things Away)

- a. Deploy assets to the Kingdom/Charity



IV. Charitable Techniques (Giving Things Away)

b. The reasons for using charitable tools

i. Tax Benefits

1. To avoid capital gains taxes – keeping more (no shrinkage)
2. Get current tax savings for future gifts – more cash in hand

ii. Charitable Benefits

1. Supporting causes you believe in
2. Sustaining your current giving for generations to come



IV. Charitable Techniques (Giving Things Away)

c. Charitable Tools

- i. Charitable Remainder Trust
- ii. Charitable Lead Trust
- iii. Pooled Income Fund
- iv. Life Estate Agreement



Examples of Combining the

Four Stewardship Planning Techniques

- I. Compression Planning/Charitable Planning - LLC with a CLT



Examples of Combining the

Four Stewardship Planning Techniques

2. Charitable Planning/Leverage Planning - CRT with a ILIT



Examples of Combining the

Four Stewardship Planning Techniques

3. Compression Planning/Leverage Planning - IDGT with Life Insurance



Examples of Combining the

Four Stewardship Planning Techniques

4. Compression Planning/Leverage Planning/Charitable Planning - LLC with ILIT and a PIF



Now you can see why and how making things bigger, smaller, the same, or giving them away optimizes the stewardship planning outcomes for your clients!

