

Pooled Income Fund Deduction Calculation

Deduction Calculation for Two Lives

Prepared for Phil Anthropist

A. Input Assumptions:

Date of transfer	March 15, 2015
Fair market value of asset transferred	\$1,000,000
Is fund three years old or older	Yes
Highest yearly rate of return for preceding three years (based on discount rate if fund has been in existence for less than three years)	5%
Beneficiary	Age
Phil	65
Betty	65

B. Calculation of Tax Deduction for Pooled Income Fund: (Interpolation of Table R factor)

1. Fair market value of asset transferred	\$1,000,000
2. Highest yearly rate of return for preceding three years (based on discount rate if fund has been in existence for less than three years)	5%
3. Interpolation of Table R factor	
(a) Nearest usable payout rate less than or equal to the Line 2 rate	5%
(b) Line 2 minus Line 3(a)	0%
(c) Line 3(b) divided by .20 percent	0.00000
(d) Factor from Table R at the Line 3(a) rate	0.35006
(e) Factor from Table R at the rate .20 percent higher than the Line 3(a) rate	0.33689
(f) Line 3(d) minus Line 3(e)	0.01317
(g) Line 3(f) times Line 3(c) (interpolation adjustment)	0.00000
(h) Interpolated Table R factor (Line 3(d) minus Line 3(g))	0.35006
4. Present value of remainder interest = the tax deduction (Line 1 * Line 3(h))	\$350,060

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A. Input Assumptions:

Date of transfer	March 15, 2015
Fair market value of asset transferred	\$1,000,000
Is fund three years old or older	No
Highest yearly rate of return for preceding three years (based on discount rate if fund has been in existence for less than three years)	1.2%
Beneficiary	Age
Phil	65
Betty	65

B. Calculation of Tax Deduction for Pooled Income Fund: (Interpolation of Table R factor)

1. Fair market value of asset transferred	\$1,000,000
2. Highest yearly rate of return for preceding three years (based on discount rate if fund has been in existence for less than three years)	1.2%
3. Interpolation of Table R factor	
(a) Nearest usable payout rate less than or equal to the Line 2 rate	1.2%
(b) Line 2 minus Line 3(a)	0%
(c) Line 3(b) divided by .20 percent	0.00000
(d) Factor from Table R at the Line 3(a) rate	0.76467
(e) Factor from Table R at the rate .20 percent higher than the Line 3(a) rate	0.73198
(f) Line 3(d) minus Line 3(e)	0.03269
(g) Line 3(f) times Line 3(c) (interpolation adjustment)	0.00000
(h) Interpolated Table R factor (Line 3(d) minus Line 3(g))	0.76467
4. Present value of remainder interest = the tax deduction (Line 1 * Line 3(h))	\$764,670