

in the income derived from the property contributed to the foundation. Such income is, of course, taxable to the individual as ordinary income, but the individual may take a charitable deduction for the value of the property so transferred to the charity or foundation. Other retirement plans are also possible along conventional contractual procedures. Of course, profit sharing is not allowed in the classic sense, but certainly an annuity or life interest type of plan is a form of "profit sharing" and variations on these plans might be employed to meet specific situations. The tax consequences of any innovation should be considered prior to its use by a foundation employer for its employees, but generally, you will find that income going to an employee as a retirement benefit will be fully taxed as ordinary income to the employee, except in the case of a true annuity. Usually capital gains tax rates do not apply to retirement.

The definition of retirement, however, has changed considerably over the past years. Retirement today does not mean that an individual will suddenly